

SMS 36TH ANNUAL  
CONFERENCE  
**BERLIN**  
SEPTEMBER 17–20, 2016



# Strategies That Move the World

## CONFERENCE PROGRAM



Strategic Management Society

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Dear Conference Attendee,

We are excited to welcome you to Berlin for the 36th Annual Conference of the Strategic Management Society, "Strategies That Move the World". Our Call for Proposals attracted a record number of 1,467 submissions, which is not only evidence of Berlin's appeal as a city, but also demonstrates the relevance of this year's theme within the field of Strategic Management. The discipline is joining the discourse on topics that dominate our newspapers and public discussions – climate change and energy consumption, poverty and inequality, urbanization and digitalization. Business firms play an important role in finding answers to these real-world challenges, and our research can support them and other institutions in developing and implementing the right strategies.

This year's conference broke another record: a total of eleven conference extensions in five European countries have been organized. These extensions cover a variety of different strategic management research topics and provide additional opportunities to exchange thoughts and to network. The main conference is fully packed with high-quality sessions that cover many of the topics in the field of strategic management. We would like to thank all IG and Community leaders for their continuous efforts in putting together such an interesting program that starts with pre-conference workshops on Saturday and interest group sessions on Sunday. We would also like to thank our Theme Track Chairs for their time and commitment to developing compelling sessions within the concept of "Strategies That Move the World".

The plenary program begins on Sunday afternoon with two panels that directly address the main conference theme. The first panel focuses on "The Strategic Management of Cities", which are culmination points of many of the aforementioned challenges and opportunities, and increasing engagement in developing "smart city" strategies. The second panel deals with "The Future of Growth" and discusses that in a world of resource scarcity, growth cannot simply be taken for granted anymore, and what we can do about it.

The next two panels are on Monday morning. "The Art and Science of (Disruptive) Business Model Design" reflects on the relevance and power of innovative business models to address the big challenges our world is facing. It aims to bring the notion of 'design' back into the mainstream of strategic management research and practice, using the business model as a focal unit of

analysis. The other panel, "Strategic Management – an Evolving Field that 'Moves the World'" discusses our conference theme from a more general, research-oriented perspective and asks the question as to whether the field of strategic management can maintain its openness and its identity as a field in the face of pressures from neighboring disciplines to narrow the scope and method of inquiry.

Two more plenaries are scheduled for Monday afternoon. The panel on "Climate Change and Energy Policy – What's in it for Strategic Management Scholars?" centers on an issue that fundamentally challenges the life and well-being of mankind. As the title indicates, its objective is to inspire strategic management scholars to take a lead in research and consulting. The same is true for the parallel panel that focuses on inequality and poverty issues that business firms face, not only in their external environment, but also within their organizations. From our perspective, it is time for strategic management scholars to play an active role in solving real-world issues that cause dramatic developments such as international conflicts and migration.

We are proud to announce that the Tuesday morning keynote speech will be held by Siemens CEO Joe Kaeser, recipient of this year's SMS Lifetime Achievement Award. With revenues of more than €75 billion, 348,000 employees in more than 200 countries, its broad industrial portfolio and its legacy of "Ingenuity for Life", Siemens addresses many of the world's biggest challenges and exemplifies this year's conference theme. We look forward to hearing how this business giant can "move the world"!

Besides all these academic highlights, you will hopefully enjoy our Monday evening event which will begin with a sight-seeing river cruise through the heart of Berlin and will lead us to the "Admiralspalast" in East Berlin's city center. You will not only enjoy food and drinks and have ample opportunities for networking, but also experience a famous vaudeville show that will take you back to Berlin's Golden Twenties.

Warm regards,  
Dodo zu Knyphausen-Aufsess  
Michael Nippa,  
Ulrich Pidun,  
Anja Tuschke





Dear Conference Participant:

Welcome to Berlin for the 36th Annual Conference of the Strategic Management Society where we will engage in conversation around the theme of Strategies That Move the World. Our world is increasingly struggling with a number of serious problems, including climate change, populations in transition, urban development, economic inequalities, and much more. We need to explore how our strategic management discipline can contribute to addressing these real-world challenges.

Our four conference theme tracks and fourteen Interest Group and Community tracks include the best of almost 1,500 proposals that were submitted for review. Putting our conferences together takes a lot of work, and we very much appreciate the superb job of our Program Chairs, Dodo zu Knyphausen-Aufsess, Michael Nippa, Ulrich Pidun, and Anja Tuschke. They have organized a set of exciting plenary and showcase panel sessions. The Interest Groups have put together an array of sessions for Sunday morning as well as more than a dozen onsite pre-conference workshops. Our Berlin Extensions—one-day topical workshops held before and after the conference—have been organized to take place in Munich, Berlin, London, Stockholm, Bolzano, Frankfurt-Wiesbaden, Zurich, and Milan.

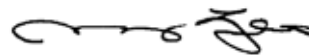
The primary goal of the SMS Annual Conference—indeed, the primary goal of all of the SMS's varied activities—is to promote excellence in the study and practice of strategic management. We are supported in this endeavor by the efforts of literally thousands of volunteers who review proposals, organize IG programs, serve on editorial boards, nominate and choose SMS award winners, and in countless other ways help enrich the conversation about strategy and strategic management within the Society. We are extremely grateful to each of you who have dedicated your valuable time and resources to make this conference and all of our other SMS activities, possible.

The SMS is a growing and dynamic organization. We encourage you to stay in touch with all the latest developments by visiting the SMS website, by attending the SMS Business Meeting that will be held on Sunday, and by reading the SMS newsletters and the Annual Report. Your involvement and leadership is important to the future of SMS.

Our annual meeting always provides an opportunity to network with friends and colleagues, present and receive feedback on the latest research, and enjoy the ambiance of a vibrant city. We hope you have an engaging and enlightening conference, and please, experience all the delights Berlin has to offer!

Let me know if you have any comments and please say “hi” when you see me.

Best regards,



Marjorie Lyles  
President



## 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 more than 3,000 members representing over 1,200 institutions and companies in over 80 countries. Our activities are made possible through the dedicated support from many hundred 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

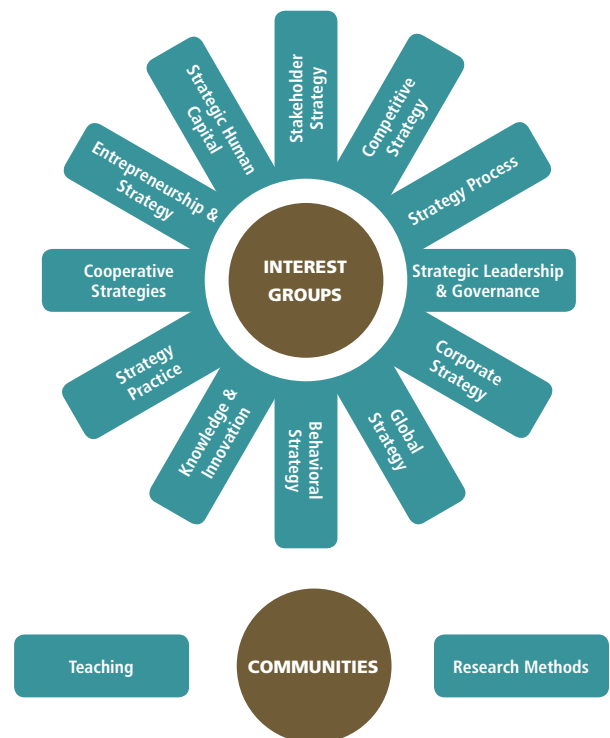
The SMS has developed a grant program, the SRF, to cultivate and encourage scholars' research in the field of strategic management. These programs are motivated by a belief that this area of study will benefit from an entity devoted to supporting research that advances its concepts, theory, and practice. 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, the IG&Cs each foster a competitive track of research proposals, as well as several issue specific sessions and workshops to cultivate new research in the field.





**Marjorie Lyles**  
*Indiana University*  
**President**



**Africa Ariño**  
*IESE Business School*



**Ruth Aguilera**  
*Northeastern University*



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



**Nicolai Foss**  
*Copenhagen Business School*



**Costas Markides**  
*London Business School*



**Robert Hoskisson**  
*Rice University*  
**Past President**



**Gabriel Szulanski**  
*INSEAD*



**Jeffrey Reuer**  
*University of Colorado-Boulder*



**Tomi Laamanen**  
*University of St. Gallen*  
**Treasurer**



**Pamela Barr**  
*Georgia State University*



**Nikolaus Pelka**  
*Strategic Management Society*  
**Executive Director**



**J. Myles Shaver**  
*University of Minnesota*



**Yan Anthea Zhang**  
*Rice University*

## 1981 LONDON

Global Strategic Management  
in the 1980's

*Program Chairs:* Derek Channon  
& Hugh Parker

## 1982 MONTREAL

Exploring the Strategy-Making Process

*Program Chairs:* Henry Mintzberg &  
Marianne Jelinek

## 1983 PARIS

Making Strategy Work

*Program Chair:* Dominique Heau

## 1984 PHILADELPHIA

Targeting Strategies

*Program Chair:* Peter Lorange

## 1985 BARCELONA

The Essence of Strategic Management

*Program Chair:* Eduard Ballarin

## 1986 SINGAPORE

Cultures and Competitive Strategies

*Program Chairs:* Peter FitzRoy &  
Gordon Redding

## 1987 BOSTON

Strategy: Prospect and Retrospect

*Program Chairs:* Joseph Bower &  
Andrall Pearson

## 1988 AMSTERDAM

Winning Strategies for the 1990's

*Program Chair:* Jan Eppink

## 1989 SAN FRANCISCO

Strategies for Innovation

*Program Chair:* Robert Harris

## 1990 STOCKHOLM

Strategic Bridging: To Meet the  
Challenges of the Nineties

*Program Chairs:* Leif Melin &  
Hans-Olof Hagén

## 1991 TORONTO

The Greening of Strategy –  
Sustaining Performance

*Program Chairs:* David Hurst &  
Rod White

## 1992 LONDON

Strategic Renaissance: The  
Transformation of Economic Enterprise

*Program Chair:* James Kelly

## 1993 CHICAGO

Integrating Strategy

*Program Chair:* Edward Zajac

## 1994 PARIS

Strategy Styles: Management Systems,  
Types and Paradigms

*Program Chair:* Michel Ghertman

## 1995 MEXICO CITY

Strategic Discovery: Opening New  
Worlds

*Program Chair:* Raul Alvarado

## 1996 PHOENIX

Competing in the New Economy:  
Managing Out of Bounds

*Program Chairs:* Gary Hamel &  
C K Prahalad

## 1997 BARCELONA

Managing in an Interconnected World

*Program Chair:* Joan E Ricart

## 1998 ORLANDO

Tailoring Strategy – One Size Does  
Not Fit All

*Program Chair:* Kevin Coyne

## 1999 BERLIN

Winning Strategies in a Deconstructing  
World

*Program Chairs:* Dieter Heuskel &  
Rudi K F Bresser

## 2000 VANCOUVER

Strategy in the Entrepreneurial  
Millennium: New Winners, New Business  
Models, New Voices

*Program Co-Chairs:* Raffi Amit,  
Charles E Lucier &  
Bertrand G Shelton

## 2001 SAN FRANCISCO

Reinventing Strategic Management –  
Old Truths and New Insights

*Program Co-Chairs:* Richard Bettis &  
Derek Dean

## 2002 PARIS

Old Barriers Crumbling, New Barriers  
Rising

*Program Co-Chairs:* René Abate &  
Karel Cool

## 2003 BALTIMORE

Intersections: Strategy Across  
Conventional Boundaries

*Program Co-Chairs:* Rita Gunther McGrath  
& Bertrand G Shelton

## 2004 SAN JUAN

Strategic Balance: Driving Innovation  
And Maintaining Performance

*Program Co-Chairs:* Patricia Gorman  
Clifford & Steven Floyd

## 2005 ORLANDO

Strategic Management: Achievements  
And Opportunities

*Program Co-Chairs:* Irene Duhaime &  
Carl W Stern

*Associate Chair:* Javier Gimeno

## 2006 VIENNA

Strategy and Governance in a World of  
Institutional Change

*Program Co-Chairs:* Javier Gimeno &  
Jens Schaedler

*Associate Chair:* Peter Ring

## 2007 SAN DIEGO

The Challenges of Non-Market Influences  
on Market Strategies

*Program Chair:* Peter Ring

*Associate Chair:* Thomas Mellewigt

## 2008 COLOGNE

How Does Knowledge Matter?

*Program Chairs:* Thomas Mellewigt &  
Bolko von Oetinger

## 2009 WASHINGTON DC

Strategies in an Uncertain World

*Program Chairs:* Marjorie Lyles &  
Jeffrey Reuer

## 2010 ROME

Strategic Management at the Crossroads

*Program Chairs:* Giovanni Battista  
Dagnino, Rosario Faraci,  
Gianmario Verona, & Maurizio Zollo

## 2011 MIAMI

Strategies for a Multi-Polar World:  
National Institutions And Global  
Competition

*Program Chair:* Jose de la Torre

*Associate Program Chair:* Aya Chacar

## 2012 PRAGUE

Strategy in Transition

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

## 2013 ATLANTA

Strategy and Sustainability

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

## 2014 MADRID

Strategies in a World of Networks

*Program Chair:* Africa Arino

*Associate Program Chairs:* Alejandro  
Beltran and Pascual Berrone

## 2015 DENVER

Strategy Expanding: Making Sense of  
Shifting Field and Firm Boundaries

*Program Chairs:* Sharon Alvarez, Donald  
Bergh, & Sharon Matusik



All award winners will be announced and recognized during the Tuesday Awards Luncheon. Visit the SMS website for a complete list of past winners.

## DAN AND MARY LOU SCHENDEL BEST PAPER PRIZE

In 1993, thirteen years after the Strategic Management Journal was launched, an annual best paper prize was established by co-sponsors Wiley and the Strategic Management Society to honor substantial work published in the SMJ. The award was renamed to its current title in 2007, honoring the contributions of Dan and Mary Lou Schendel to the SMJ. The award is for a paper published five or more years prior to teaching, and/or practice. Once eligible, a paper remains eligible until selected as the best paper. Continued eligibility allows recognition to be made for those insights and findings that sometimes occur before their time and only becomes widely recognized as significant after other work is published. Authors of the winning paper receive a monetary award of US\$ 5,000.

### 2016 Recipient

**Technological acquisitions and the innovation performance of acquiring firms: a longitudinal study**  
Gautam Ahuja, *University of Michigan*  
Riitta Katila, *Stanford University*

### Presentation

Tuesday Awards Luncheon

## \* SMS EMERGING SCHOLAR AWARD

Inaugurated in 2007, the prize is awarded annually to a relatively young or new scholar, who displays exemplary scholarship in research, education and related academic activities that seek to improve current strategic management practice. The criteria for this award recognizes a portfolio of work that suggests the candidate will make fundamental contributions to the way we think about knowledge essential to achieving durable organizational success. Members of the SMS are eligible to be nominated for this award. The likely winner of the award will be under the age of 40 with at least 5 years since his/her PhD, and have a record of publications and professional activity that has demonstrated their work to be significant within the strategic management field. The recipient of this Award will receive US\$ 5,000 and have the opportunity to present his or her research at the SMS Annual Conference.

### 2016 Recipient

Guoli Chen, *INSEAD*

### Emerging Scholar Research Presentation

MONDAY SEPTEMBER 19

SESSION 313 | 15:00–16:15

## CK PRAHALAD DISTINGUISHED SCHOLAR-PRACTITIONER AWARD

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

### 2016 Recipient

Richard Rumelt, *University of California-Los Angeles*

### Presentation

Tuesday Awards Luncheon

## ☀ SMS LIFETIME ACHIEVEMENT AWARD

The SMS presents the Lifetime Achievement Award to honor the highest level of achievement in strategic management by a business leader. This award is only presented when an appropriate honoree is identified. The recipient of this award has demonstrated sustained strategic leadership and innovation that significantly altered strategy practice and is recognized as influencing the scholarly debate in leading academic institutions.

### 2016 Recipient

Joe Kaeser, *Siemens AG*

### Lifetime Achievement Keynote Address

SUNDAY SEPTEMBER 20

SESSION 312 | 09:30–10:30

## SMS SERVICE AWARD

This award is intended to honor the highest level of achievement in Strategic Management by a business leader, who demonstrated sustained strategic leadership and innovation that significantly altered strategy practice. It is conferred in recognition of significant and enduring service that made an outstanding and distinguished contribution to the Strategic Management Society and its members.

### 2016 Recipient

Richard Bettis, *University of North Carolina-Chapel Hill*

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#### Presentation

Tuesday Awards Luncheon

## SEJ BEST PAPER AWARD

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

### 2016 Recipient

**The Process of Creative Construction: Knowledge Spillovers, Entrepreneurship, and Economic Growth**

Rajshree Agarwal, *University of Maryland*

David Audretsch, *Indiana University*

MB Sarkar, *Temple University*

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#### Presentation

Tuesday Awards Luncheon

## FRIEND OF THE SMS



To distinguish those who have contributed over the years and have become pillars of our Society, in 2006 the recognition as Friend of the SMS was introduced to the conference. Conference attendees are recognized who either have been SMS members for 20 or more years, attended

10 or more annual conferences, served as a program chair of a past conference, served as a board member of the Society, or have been elected to the Fellows of the SMS. As a sign of recognition and appreciation, a golden SMS logo is added to the conference name badges of these individuals. The names of the Friends of the SMS are also displayed during the program intermissions on the projections screens of the plenary hall at the conference.



## ★ SMS BEST CONFERENCE PAPER PRIZE

The SMS first presented this prize in 1998 to honor the best paper presented at the SMS Annual Conference. Nominated authors are invited to submit a full version of their submitted proposal. The papers are reviewed, and 10 finalists are named prior to the conference. Decisions are mainly based on the soundness of the conceptual development, the originality and application of the appropriate methodology. The prize for the best conference paper consists of a US\$ 1,500 award. In addition, four other papers receive Honorable Mention prizes consisting of a US\$ 750 award.

The following ten papers have been selected as finalists out of 54 nominated and submitted papers for this award. You will find these papers indicated throughout the program. The winning paper and the honorable mentions will be announced on Tuesday at the Awards Luncheon.

### SUNDAY

#### TRACK G | SESSION 292 | 16:15–17:30

**Learning by Exporting Reconsidered – How Export Induced Investments in R&D and Marketing Pay off**

Wolfgang Sofka, *Copenhagen Business School*

Elena Golovko, *Tilburg University*

Cindy Lopes-Bento, *Maastricht University*

### TUESDAY

#### TRACK E | SESSION 60 | 11:00–12:15

**Why Victories In Certification Contests Did Not Affect Survival Of Organizations In American Automobile Industry**

Brent Goldfarb, *University of Maryland*

Anastasiya Zavyalova, *Rice University*

Sandeep Devanatha Pillai, *University of Maryland*

### SUNDAY

#### TRACK J | SESSION 242 | 16:15–17:30

**On the Discursive Legitimation of Strategic Persistence**

Matthias Wenzel, *European University Viadrina*

Jochen Koch, *European University Viadrina*

### TUESDAY

#### TRACK F/X | SESSION 125 | 11:00–12:15

**Product-Market Competition and the Redistribution of Financial Resources in the Multi-Business Firm**

Raffaele Morandi Stagni, *IE Business School*

Juan Santalo, *IE Business School*

### MONDAY

#### TRACK F | SESSION 118 | 11:00–12:15

**Activist-Led Divestitures**

Siwen Chen, *University of Pennsylvania*

Emilie Feldman, *University of Pennsylvania*

### TUESDAY

#### TRACK D | SESSION 133 | 15:45–17:00

**A Theory of Crowds in Time and Space: Crowds' Hidden Meaning Structure in Market Emergence**

Sorah Seong, *INSEAD*

### MONDAY

#### TRACK K | SESSION 102 | 13:30–14:45

**Social Entrepreneurship, Language, and Funding: Evidence from Tech Startups in Sub-Saharan Africa**

Natalie Carlson, *Columbia University*

### TUESDAY

#### TRACK H/P | SESSION 184 | 15:45–17:00

**Narrative Construction during Strategic Change: A Dynamic Perspective**

Elena Dalpiaz, *Imperial College London*

Giada Di Stefano, *HEC-Paris*

### TUESDAY

#### TRACK N | SESSION 106 | 8:00–9:15

**The Impact of Promotion and Prevention Contracts on Trust in Repeated Exchanges: An Experimental Investigation**

Libby Weber, *University of California, Irvine*

Christopher Bauman, *University of California, Irvine*

### TUESDAY

#### TRACK M/N | SESSION 128 | 17:30–18:45

**Public-Private Partnering, Environmental Uncertainty and Hybrid Organizational Design**

Ilze Kivleniece, *INSEAD*

## ✿ SMS BEST CONFERENCE PhD PAPER PRIZE

The SMS, with the initial support from the consulting firm Booz Allen Hamilton, created this award in 2000 in recognition of a PhD candidate's presentation of an outstanding paper at the SMS Annual Conference. The award is granted to PhD candidates, who are primary authors of an accepted proposal for the conference. All qualifying authors were invited to submit a full version of their paper for consideration by a review committee. Five winners are honored as SMS Best Conference PhD Paper Prize recipients and will receive awards of US\$ 1,500 each.

The following 10 papers have been selected as finalists from 56 eligible and submitted papers for this award. You will find these papers indicated throughout the program. The five winning papers will be announced on Tuesday at the Awards Luncheon.

### MONDAY

#### TRACK F | SESSION 122 | 8:00-9:15

**Lead, Follow, or Abstain: The Performance Consequences of Decision Timing under High Uncertainty**

Luis Ballesteros, *University of Pennsylvania*

### MONDAY

#### TRACK P | SESSION 222 | 11:00-12:15

**Missed Chances, Unfulfilled Hopes: Sources of Errors in Technology Selection**

Amit Kumar, *ESSEC Business School*

### MONDAY

#### TRACK G | SESSION 171 | 15:00-16:15

**Going Against the Grain: The Impact of Mandate Loss on Subsidiary Evolutionary Trajectories**

Edward Gillmore, *Mälardalen University*

Ulf Andersson, *Mälardalen University*

### TUESDAY

#### TRACK L | SESSION 120 | 8:00-9:15

**Leveraging Who You Know by What You Know: Returns to Relational and Human Capital**

Heejung Byun, *University of Maryland*

Justin Frake, *University of Maryland*

Rajshree Agarwal, *University of Maryland*

### TUESDAY

#### TRACK B/M | SESSION 283 | 8:00-9:15

**Webs of Influence: National Stakeholder Networks and Corporate Social Performance**

Kate Odziemkowska, *University of Pennsylvania*

Witold Henisz, *University of Pennsylvania*

### TUESDAY

#### TRACK F/X | SESSION 125 | 11:00-12:15

**Product-Market Competition and the Redistribution of Financial Resources in the Multi-Business Firm**

Raffaele Mornadi Stagni, *IE Business School*

Juan Santalo, *IE Business School*

### TUESDAY

#### TRACK E | SESSION 58 | 15:45-17:00

**Partners In Crime: Code Violation And Preservation Between Category Insiders And Outsiders**

Maima Aulia Syakhroza, *University of Cambridge*

Lionel Paoletta, *University of Cambridge*

Kamal Munir, *University of Cambridge*

### TUESDAY

#### TRACK I | SESSION 262 | 15:45-17:00

**Uncovering the Unknown Value of Corporate Venturing**

Ecaterina Puricel, *ETH Zurich*

Fredrik Hacklin, *ETH Zurich*

### TUESDAY

#### TRACK O/X | SESSION 208 | 17:30-18:45

**CEO Incentive Pay, Corporate Culture And Illegal Activity In Banks: Are We Incentivizing Wrongdoing?**

Stephen Smulowitz, *IESE Business School*

Juan Almandoz, *IESE Business School*

### TUESDAY

#### TRACK L | SESSION 297 | 17:30-18:45

**Ethics of Sorting Talent on Wall Street**

Pooria Assadi, *Simon Fraser University*



### Recommended Dress

Business casual attire is recommended for all conference sessions.

### Monday Evening Event

Join us for an evening river cruise tour of Berlin followed by food, drinks, and entertainment at the Admiralspalast! The night will feature a special performance by Wintergarten. We hope that you enjoy all that we have planned! The dress for this event is business casual & conference name badges and ship tickets are required for entrance into the event.

### Name Badges

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

### Exchange of Handouts and Presentations

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

### No Smoking Policy

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



# JOIN THE CONVERSATION



@Strategic\_Mgmt



Group: Strategic Management Society



Channel: Strategic Management Society

# HOUSTON

SMS 37TH ANNUAL CONFERENCE



OCTOBER 29-31, 2017



# SAVE THE DATE

**Unconventional  
Strategies for  
Emerging Complexity  
and Intensifying  
Diversity**

#### PROGRAM CHAIRS

**LAURA B. CARDINAL**  
*University of South Carolina*

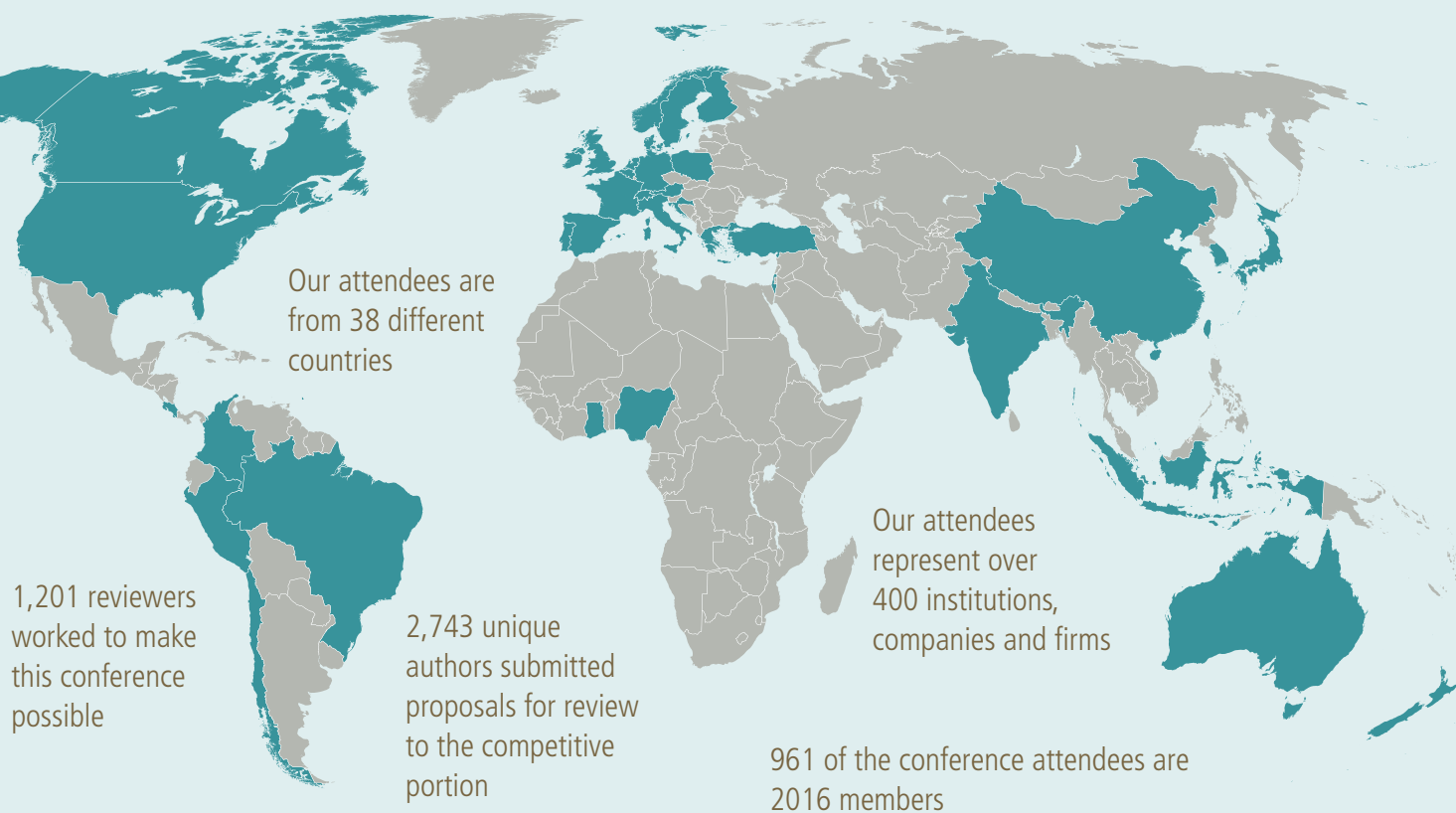
**CHET MILLER**  
*University of Houston*

**YAN ANTHEA ZHANG**  
*Rice University*

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

## REGISTERED ATTENDEES DISTRIBUTION

The countries printed in blue indicate the geographical distribution of this year's conference attendees.  
All data as of September 18, 2016.



### CONFERENCE STATISTICS

#### Total number of competitive sessions

Paper	107
Common Ground	43
Panel	12

#### Total number of non-competitive sessions

Interest Group	37
Plenaries	6
Keynote	1
Workshops	15

### ATTENDEES BY REGION

	Conference Attendees By Region		Invited Authors By Region	
Europe	49%	575	49%	659
North America	38%	444	37%	496
Asia	8%	97	9%	126
Australia/New Zealand	2%	27	3%	35
Latin America	1%	16	1%	20
Middle East	1%	12	1%	12
Africa	>1%	2	>1%	2
		1,173		1,350



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

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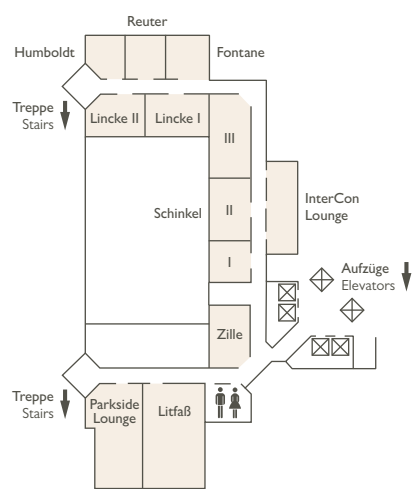
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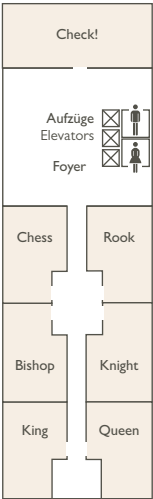
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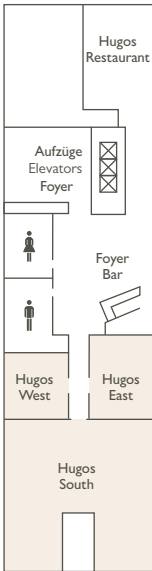
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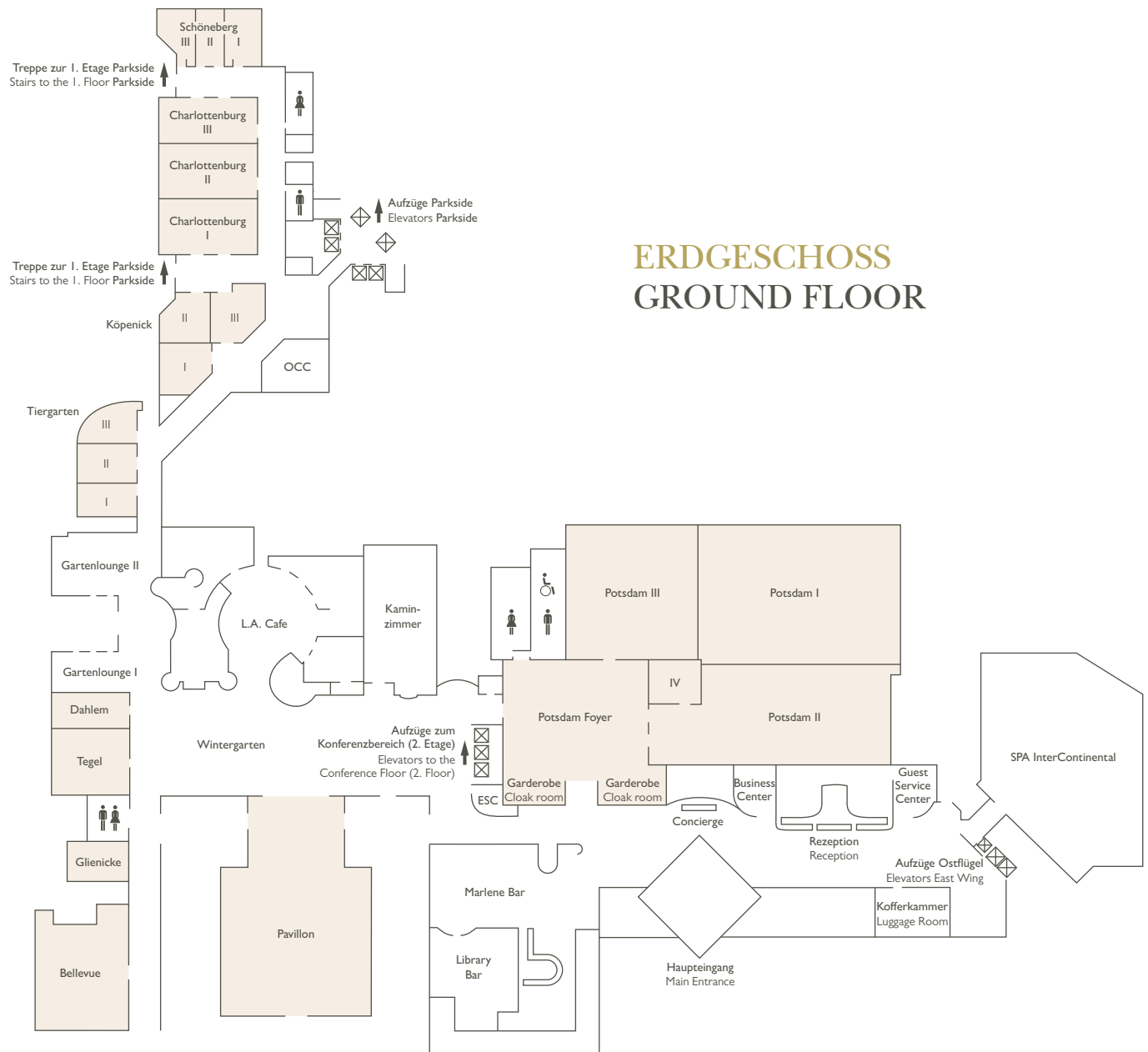


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## Conference Theme Tracks

- A — Fundamental Issues in Strategy Reconsidered**
- B — Cities, Nation States, NGOs, Social Movements**
- C — Rethinking Our Dependent Variable(s)**
- D — Sharing Economy and Digitalization**

## Interest Group and Community Tracks

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

## Session Formats

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

### Common Ground Sessions

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

- For the Berlin Conference a total of 43 common ground sessions are planned; each will be 75 minutes.
- A common ground session consists of at least one author of the 5-6 proposals, a facilitator, and audience members. The facilitator is not an author of any of the proposals.
- The Common Ground sessions will be chaired and facilitated by known scholars in the session's topic. It is the responsibility of these facilitators to allocate time among participants and lead a productive discussion.
- To ensure sufficient time for interaction, the facilitator will ask for an initial 3-4 minute summary presentation of a presenter's study, focusing only on the main motivations and findings of each paper. We want the time to be structured as a conversation (i.e., short interventions, highly interactive), not as a sequence of monologues.
- Projectors or PowerPoint presentations will not be used. Flipcharts will be available in each room to facilitate visual discussion. Authors are encouraged to make available for download or bring to the session a one-page summary.

### Paper Sessions

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

- For the Berlin a total of 107 paper sessions are planned; each will be 75 minutes.
- A paper session consists of at least one author of 3-4 proposals, a session chair, and audience members. Often times, the session chair will be one of the presenting authors.
- Each presenting author will have 12-15 minutes for their presentation, depending on the number of presentations within the session. The remaining time will be used for discussion.
- Each session room will have an LCD projector available.
- Presenters were invited to upload their presentation handout and make it available for download to other conference attendees.

## SATURDAY, SEPTEMBER 17, 2016

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

## SUNDAY, SEPTEMBER 18, 2016

- 08:00 — 09:15 Interest Group Sessions
- 09:30 — 10:45 Interest Group Sessions
- 10:45 — 11:15 Coffee Break
- 11:15 — 12:30 Interest Group Sessions
- 12:30 — 13:30 Lunch
- 13:45 — 14:15 Conference Opening
- 14:30 — 15:45 Plenary Session
- 15:45 — 16:15 Coffee Break
- 16:15 — 17:30 Paper/Common Ground/Panel Sessions
- 17:45 — 18:45 Interest Group Business Meetings
- 18:45 — 19:30 SMS Business Meeting

## MONDAY, SEPTEMBER 19, 2016

- 08:00 — 09:15 Paper/Common Ground/Panel Sessions
- 09:30 — 10:30 Plenary Session
- 10:30 — 11:00 Coffee Break & SRF Scholar Presentations
- 11:00 — 12:15 Paper/Common Ground/Panel Sessions
- 12:15 — 13:15 Lunch
- 13:30 — 14:45 Paper/Common Ground/Panel Sessions
- 15:00 — 16:15 Paper/Common Ground/Panel Sessions
- 16:15 — 16:45 Coffee Break & SRF Scholar Presentations
- 16:45 — 17:45 Plenary Session
- 18:00 — 22:00 Monday Night Event at Admiralspalast

## TUESDAY, SEPTEMBER 20, 2016

- 08:00 — 09:15 Paper/Common Ground/Panel Sessions
- 09:30 — 10:30 Keynote
- 10:30 — 11:00 Coffee Break
- 11:00 — 12:15 Paper/Common Ground/Panel Sessions
- 12:15 — 14:00 Awards Luncheon
- 14:15 — 15:30 Paper/Common Ground/Panel Sessions
- 15:45 — 17:00 Paper/Common Ground/Panel Sessions
- 17:00 — 17:30 Coffee Break
- 17:30 — 18:45 Paper/Common Ground/Panel Sessions
- 19:00 — 20:00 Closing Reception



## MY SCHEDULE OVERVIEW

SATURDAY, SEPTEMBER 17, 2016				
09:00 – 16:00	Pre-Conference Workshops			
16:30 – 18:00	Meet the Editors Panel			
19:00 – 21:00	Welcome Reception			
SUNDAY, SEPTEMBER 18, 2016				
08:00 — 09:15	Interest Group Session I	SESSION	ROOM	PAGE #
09:30 — 10:45	Interest Group Session II	SESSION	ROOM	PAGE #
10:45 — 11:15	Coffee Break			
11:15 — 12:30	Interest Group Session III	SESSION	ROOM	PAGE #
12:30 — 13:30	Lunch			
13:45 — 14:15	Conference Opening			
14:30 — 15:45	Plenary Session	SESSION	ROOM	PAGE #
15:45 — 16:15	Coffee Break			
16:15 — 17:30	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
17:45 — 18:45	Interest Group Business Meetings			
18:45 — 19:30	SMS Business Meeting			

# MY SCHEDULE OVERVIEW

MONDAY, SEPTEMBER 19, 2016				
08:00 — 09:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
0.575	Plenary Session	SESSION	ROOM	PAGE #
10:30 — 11:00	Coffee Break & SRF Scholar Presentations			
11:15 — 12:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
12:15 — 13:15	Luncheon			
13:30 — 14:45	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
15:00 — 16:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
16:15 — 16:45	Coffee Break & SRF Scholar Presentations			
16:45 — 17:45	Plenary Session	SESSION	ROOM	PAGE #
18:00 — 22:00	Monday Night Event at Admiralspalast			

TUESDAY, SEPTEMBER 20, 2016				
08:00 — 09:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
09:30 — 10:30	Keynote			
10:30 — 11:00	Coffee Break			
11:00 — 12:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
12:15 — 14:00	Awards Luncheon			
14:15 — 15:30	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
15:45 — 17:00	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
17:00 — 17:30	Coffee Break			
17:30 — 18:45	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
19:00 — 20:00	Closing Reception			



## Executive Discoveries Series Co-Chairs



Patricia Gorman  
*Stevens Institute of Technology*



Markus Kreutzer  
*EBS University of Business and Law*



Jorge Walter  
*George Washington University*

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

## THEMES OF THE EDS

### 1. INNOVATION, LEARNING, AND MARKETS FOR TECHNOLOGY

The first theme of the EDS track focuses on innovation, learning, and markets for technology. This theme provides both a number of high-level insights into firms' technology market strategies—such as positioning choices (specialist versus generalist), open innovation, allying with partners and competitors, multinational knowledge sourcing, and market exit—as well as more in-depth suggestions for the management of technology and innovation within firms—such as goal setting, staged investments, adaptive responses, trademark strategies, the influence of CEOs and individual employees on innovation, and learning from feedback (successes and failures)—all with a focus on predicting the likelihood of (breakthrough) innovation and firm growth.

**MONDAY 11:00 – 12:15 | SESSION 77**  
**Technology Entrepreneurship and Innovation**

**MONDAY 11:00 – 12:15 | SESSION 153**  
**Knowledge Sourcing and Flows**

**TUESDAY 11:00 – 12:15 | SESSION 258**  
**Learning from Feedback**

**TUESDAY 14:15 – 15:30 | SESSION 260**  
**Exploration and Exploitation Through Alliances**

**TUESDAY 14:15 – 15:30 | SESSION 298**  
**Market Dynamics in Technology Markets**

### 2. BUSINESS MODELS & STAKEHOLDER MANAGEMENT

The second theme of the EDS track presents a dialogue on business models with a particular focus on exploring the role of managers/entrepreneurs in designing, renewing, and adapting innovative business models that may disrupt entire industries. Sessions in this theme also discuss how corporations can successfully manage their external stakeholders, e.g., by engaging in corporate political activities and investing in corporate social responsibility.

**MONDAY 9:30 – 10:30 | SESSION 136**  
**The Art & Science of (Disruptive) Business Model Design**

**MONDAY 15:00 – 16:15 | SESSION 67**  
**Competitive Advantage & Performance Persistence**

**MONDAY 15:00 – 16:15 | SESSION 199**  
**Cognition and Corporate Misconduct**

**TUESDAY 8:00 – 9:15 | SESSION 288**  
**Messing with the Model: Design, Renewal, and Reconfiguration of Business Models**

**TUESDAY 17:30 – 18:45 | SESSION 164**  
**Relationships with and Management of Stakeholders**

### 3. THE PRACTICE OF STRATEGY

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The third theme of the EDS track focuses on the practice of strategizing and provides discussions of topics such as strategic decision making in turbulent environments, scenario planning, and resource allocation and redeployment in multi-business corporations.

MONDAY 13:30 – 14:45 | SESSION 244

**Technology in Strategy Practice and Research**

MONDAY 15:00 – 16:15 | SESSION 199

**Cognition and Corporate Misconduct**

TUESDAY 8:00 – 9:15 | SESSION 243

**Strategy Decision Making Under Uncertainty**

TUESDAY 11:00 – 12:15 | SESSION 125

**Resource Allocation Approaches**

### 4. STRATEGIC ENTREPRENEURSHIP

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The fourth theme of the EDS track discusses the influence of founder experience, gender bias, and new ventures' engagements with (political) institutions on entrepreneurship and innovation.

SUNDAY 16:15 – 17:30 | SESSION 189

**Innova**

MONDAY 8:00 – 9:15 | SESSION 72

**Entrepreneurship and Institutions**

MONDAY 8:00 – 9:15 | SESSION 76

**Gender Issues in Entrepreneurship**

MONDAY 11:00 – 12:15 | SESSION 77

**Technology Entrepreneurship and Innovation**

TUESDAY 14:15 – 15:30 | SESSION 74

**Contextual Approaches to Entrepreneurship**

### 5. HUMAN CAPITAL AND EXECUTIVE COMPENSATION

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The fifth theme of the EDS track focuses on intra- and interfirm labor markets, executive compensation, and the human capital inherent in top managers/entrepreneurs as well as top-management teams.

MONDAY 11:00 – 12:15 | SESSION 112

**Microfoundations of Strategic Human Capital**

MONDAY 13:30 – 14:45 | SESSION 119

**Top Managers as/and Human Capital**

TUESDAY 11:00 – 12:15 | SESSION 116

**Legal Mobility Barriers**

TUESDAY 17:30 – 18:45 | SESSION 208

**Executive Compensation**

### 6. ALLIANCES AND M&A

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In this EDS theme, the focus extends beyond organizational boundaries and looks at managerial challenges in strategic alliances and mergers & acquisitions (M&A). One set of studies in this theme examines how firms may get better at performing these inorganic growth modes and how to improve organizational learning and developing capabilities. How to collaborate with competitors (i.e., coopetition) and to win in power plays is a second topic addressed by this theme.

MONDAY 8:00 – 9:15 | SESSION 97

**Who's in Charge? Power, Reciprocity and the Darkside of Embeddedness**

MONDAY 15:00 – 16:15 | SESSION 181

**With or Without You**

TUESDAY 14:15 – 15:30 | SESSION 99

**Competitive and Cooperative Dynamics**

TUESDAY 14:15 – 15:30 | SESSION 260

**Exploration and Exploitation through Alliances**

TUESDAY 15:45 – 17:00 | SESSION 93

**Alliance Management Function, Capabilities, and Learning**

TUESDAY 15:45 – 17:00 | SESSION 157

**Mergers and Acquisitions**

TUESDAY 17:30 – 18:45 | SESSION 121

**Organizational Learning in Acquisitions**

### 7. ORGANIZATIONAL CHANGE AND INDUSTRY TRANSFORMATION

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The seventh theme of the EDS track focuses on industry transformation (among others in the mobility and energy sectors) and resulting organizational change under uncertainty. Studies in this theme also discuss (de)regulation, digitalization, and other drivers of business model and ecosystem changes, as well as the role both incumbent firms and new entrants may play in this context.

SUNDAY 16:15 – 17:30 | SESSION 193

**The Transformation of Mobility: Challenges for Firms and New Directions for Strategy Research**

TUESDAY 8:00 – 9:15 | SESSION 243

**Strategy Decision Making Under Uncertainty**

TUESDAY 14:15 – 15:30 | SESSION 194

**Strategic Transformation in the German Energy Industry**

TUESDAY 15:45 – 17:00 | SESSION 168

**From Contradictions to Paradoxes**



SESSION 316  
**MEET THE EDITORS**

TRACK 5	Date	Saturday, Sep 17
	Time	16:30 – 18:00
Special Panel	Room	Potsdam III

**Meet the Editors**

- Leaders**  
Rajshree Agarwal, *University of Maryland*
- Panelists**  
Alfonso Gambardella, *Bocconi University*  
Constance Helfat, *Dartmouth College*  
Torben Pedersen, *Bocconi University*  
Zur Shapira, *New York University*

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



19:00 – 21:00  
**WELCOME RECEPTION**

## SESSION 139

**THE LATEST AND GREATEST IN EMPIRICAL METHODS FOR STRATEGY SCHOLARS**

<b>TRACK E</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Tegel

**The Latest and Greatest in Empirical Methods for Strategy Scholars****Chair**Andy Wu, *Harvard University***Panelists**Denisa Constanta Mindruta, *HEC-Paris*Brent Goldfarb, *University of Maryland*Evan Rawley, *Columbia University*Deepak Somaya, *University of Illinois at Urbana-Champaign*

This popular session has become a regular fix-ture at the SMS conference. Drawing on recent developments in statistical methodologies, this year's panelists will cover some of the latest empirical tools of relevance to strategy scholars. Panelists will discuss issues of causal inference, identification strategies, and matching meth-ods, focusing not only on the tools themselves, but also on examples of how these tools can be applied to address a broad range of questions in the field of strategy.

## SESSION 215

**FORMING, IMPLEMENTING AND EVALUATING STRATEGY: CONNECTING PRACTITIONER NEEDS TO ACADEMIC INSIGHTS**

<b>TRACK H, TRACK J</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Tiergarten III

**Forming, Implementing and Evaluating Strategy: Connecting Practitioner Needs to Academic Insights****Chair**Dries Faems, *University of Groningen*George Tovstiga, *EDHEC Business School***Panelists**David Collis, *Harvard University*Koen Heimeriks, *Aalto University*Laurent Mirabeau, *University of Ottawa*Timo Santalainen, *Aalto University*

The aim of this panel session is to bring together insights from high-level practitioners and academic scholars to identify and reflect on critical questions regarding strategy processes pertaining to formation, implementation, and evaluation of strategy – specifically related to relevance and impact of strategy theory for/on strategy in the practice field. Before the session, the panelists are asked to provide their personal opinion on the most important issues and challenges on this topic. In this session, we will bring these different insights together to get a thought provoking discussion on how to move forward this research stream. Questions strategy scholars and strategy practitioners will be asked to reflect and share their views on include: 1. Strategy process(es) – are we talking about the same thing (i.e. strategy scholars and strategy practitioners)? 2. Where (if at all) do the views deviate? What are the issues – and do they really matter? 3. Where does the strategy process perspective typically espoused by strategy scholars break down in strategy practice – and what are the implications (if any)? 4. How might the two perspectives (scholarly vs. practitioner) be brought in closer alignment?

## SESSION 278

**CHINA'S INNOVATION CAPACITY AND THE IMPLICATIONS FOR STRATEGY**

<b>TRACK G, TRACK I</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Knight

**China's Innovation Capacity and the Implications for Strategy****Chair**Johann Peter Murmann, *University of New South Wales***Panelists**Yves Doz, *INSEAD*Can Huang, *Zhejiang University*Arie Lewin, *Duke University*Gordon Redding, *INSEAD*

Will China become a global innovator leader in the next 25 years? This question is strategically important for Western firms and the topic of the new Cambridge University Press book, "China's Innovation Challenge." The panelists are all contributors to the book, and they are split about how likely Chinese firms will become global innovation leaders. The panelists will present an overview of the rationales that underpin the opposing views. They will also shed light on the novel strategies some large Chinese companies have adopted to overcome their technological backwardness. Since the willingness to invest in new technologies is influenced by intellectual property rights regimes, likely changes in the Chinese regime and their implications for domestic and multinational firm strategies will also be discussed.

## SESSION 141

**INNOVATION AND TRENDS IN STRATEGIC ENTREPRENEURSHIP RESEARCH**

<b>TRACK K</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Bellevue

**Innovation and Trends in Strategic Entrepreneurship Research****Chair**Manuela Hoehn-Weiss, *Oregon State University***Panelists**Rajshree Agarwal, *University of Maryland*Timothy Folta, *University of Connecticut*Zur Shapira, *New York University*Shaker Zahra, *University of Minnesota*

In this session we will discuss the current state of strategic entrepreneurship, focusing on recent practices and phenomena across industries that have already promoted innovation with sweeping societal impact. We will explore what factors at micro and macro levels—including psychological, organizational, and economic factors—facilitate the type of innovation that makes entrepreneurship strategic. A panel of influential scholars will discuss recent work in this realm as well as their perspectives on promising areas for further study. The panelists' presentations will be followed by a moderated discussion and open Q&A.



## SESSION 276

### NEW THEORY ON MANAGING HUMAN CAPITAL

<b>TRACK L</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Queen

#### New Theory on Managing Human Capital

##### Chair

Gina Dokko, *University of California, Davis*  
Y Sekou Bermiss, *University of Texas at Austin*

##### Panelists

Benjamin Campbell, *Ohio State University*  
Clint Chadwick, *University of Kansas*  
Teppo Felin, *University of Oxford*

In this interactive session, the three panelists will each propose a major theoretical issue or gap in human capital research, and briefly offer their thoughts on how to address it. Topics will include the strategic use of turnover, interactions in labor market frictions that support human capital-based competitive advantage, and the conflict between perspectives on talent management and the reality of modern careers. The aim of the session is to provoke discussion about how strategic human capital research can better reflect the complexity of modern, real-world human resources management. Two prominent researchers will comment on these ideas and a general and open discussion will follow.

## SESSION 143

### NONMARKET SOCIAL AND POLITICAL STRATEGY – INTEGRATIVE PERSPECTIVES AND INTERDISCIPLINARY BORROWINGS

<b>TRACK M</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Tiergarten I

#### Nonmarket Social and Political Strategy – Integrative Perspectives and Interdisciplinary Borrowings

##### Chair

J. George Frynas, *Middlesex University*  
Shlomo Yedidia Tarba, *University of Birmingham*

##### Panelists

Andrew Barron, *Toulouse Business School*  
Jonathan Doh, *Villanova University*  
Thomas Lawton, *Open University*  
Steven McGuire, *University of Sussex*  
Kamel Mellahi, *University of Warwick*

Nonmarket strategy refers to “the firm’s efforts to manage the institutional or societal context of economic competition” (Lux et al., 2011). Scholarship on nonmarket strategy has been highly fragmented for a long time and largely disintegrated into separate political and social domains. Furthermore, research on nonmarket strategies has largely suffered from the failure to integrate insights and methodologies from political science, psychology, sociology, history and other related disciplines. Therefore, this panel brings together a group of scholars to explore the interactions between the political and the social aspects of nonmarket strategy, on the one hand, and to present novel ideas and approaches from outside business and management studies in order to inform nonmarket scholarship, on the other.

## SESSION 174

### INTERACTION BETWEEN COOPERATION AND COMPETITION: BEYOND THE ALLIANCE CONTEXT

<b>TRACK N</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Kopenick I/II

#### Interaction Between Cooperation and Competition: Beyond the Alliance Context

##### Chair

Nan Jia, *University of Southern California*

##### Panelists

Olivier Chatain, *HEC-Paris*  
Beverly Rich Ingersoll, *University of Southern California*  
Kyle J. Mayer, *University of Southern California*  
Michael Ryall, *University of Toronto*

Although inter-firm alliances constitute an important context for cooperative strategy, cooperation among economic actors occurs in a wider range of contexts. Moreover, the theory on cooperative strategy—particularly on the interaction between cooperation and competition—is key to many decisions made by economic actors who often face the tension between providing greater incentives to other parties to make them undertake the actions that contribute to greater value for all, and competing with those same parties to capture the value created. The panelists will discuss the tension between cooperation and competition in the contexts of corporate governance, provision of professional services, and legal maneuvers to protect intellectual property rights.

## SESSION 146

### WOMEN EXECUTIVES & DIRECTORS: ADVANCES AND CHALLENGES

<b>TRACK O</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Charlottenburg III

#### Women Executives & Directors: Advances and Challenges

##### Chair

Marie Louise Mors, *Copenhagen Business School*  
Margarethe Wiersema, *University of California, Irvine*

##### Panelists

Inge Berneke, *Egon Zehnder*  
Isabel Fernandez-Mateo, *London Business School*  
Yan Anthea Zhang, *Rice University*

This panel is motivated by the heightened efforts by boards of public companies to increase the percentage of women directors. As more companies both voluntarily and in response to regulatory quotas add women to their boards, the question arises as to whether and how women directors are impacting the dynamics and role of the board? In addition, we seek to address the challenges that women face to be appointed in senior roles and to have an impact on the companies they serve. This panel will bring together a group of scholars as well as an executive recruiter who will discuss the issues and challenges that women face as executives and directors of publicly traded companies.

## SESSION 306

**HEURISTICS, BIASES, AND POSSIBILITIES:  
PERSPECTIVES ON RATIONALITY, SEARCH, AND  
CHOICE**

<b>TRACK P</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Charlottenburg II

**Heuristics, Biases, and Possibilities: Perspectives on Rationality, Search, and Choice****Chair****Panelists**

Florian Artinger, *Max Planck Institute for Human Development*

Sheen S Levine, *University of Texas at Dallas*

Decision heuristics represent a core topic in behavioral strategy and this session brings together different perspectives on their applications in different decision processes.

## SESSION 250

**BETTER QUESTIONS: THE BEGINNING OF BETTER  
RESEARCH DESIGN**

<b>TRACK R</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Bishop

**Better Questions: The Beginning of Better Research Design****Chair**

Margaret White, *Oklahoma State University*

**Panelists**

Laura B. Cardinal, *University of South Carolina*

Robert Duesing, *Georgia College & State University*

Jason Ridge, *University of Arkansas*

The purpose of this session is to examine how to develop better research questions. When beginning a research project, the development of a well-designed research question can make the design of the research project clearer. We will examine where to look for questions and how to develop the best questions.

## SESSION 236

**BIG QUESTIONS IN STRATEGY EDUCATION  
RESEARCH**

<b>TRACK T</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	08:00 – 09:15
<b>IG Sunday</b>	<b>Room</b>	Kopenick III

**Big Questions in Strategy Education Research****Chair**

Vijaya Narapareddy, *University of Denver*

David King, *Iowa State University*

**Panelists**

Russell Coff, *University of Wisconsin-Madison*

Michael A. Hitt, *Texas A&M University and TCU*

Frank T. Rothaermel, *Georgia Institute of Technology*

Chris Trank, *Vanderbilt University*

With some notable exceptions, more is being discussed on improving strategy education than is being published. Not codifying best practices limits dissemination of useful knowledge and can contribute to duplication of effort, or “rediscovery” of things that are known but have not been shared. The goal of this panel is to combine thought leaders in strategy education research with editors of journals that publish education research to increase awareness of the importance of the scholarship of teaching, learning and education (SoTLE) in strategic management. As a panel session, dialogue will focus on “big questions” confronting strategy education and advice on how to get it published.



## SESSION 138

### THEORY BUILDING WITH COMPUTATIONAL MODELS: NEW DIRECTIONS

<b>TRACK E</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Tegel

#### Theory Building with Computational Models: New Directions

##### Chair

Maciej Workiewicz, *ESSEC Business School*

##### Panelists

Stephan Billinger, *University of Southern Denmark*

Hart Posen, *University of Wisconsin-Madison*

Nils Stieglitz, *Frankfurt School of Finance and Management*

Computational models have led to many important theoretical advances in the field of strategy. Yet particularly from the perspective of non-modelers, it has often been difficult to marry empirical work with theoretical advances built on computational modeling foundations. This session will focus on demystifying the computational modeling landscape for current and future consumers and producers of such work. Panelists will describe the different classes of models used in the strategy field, explain their underlying assumptions, and discuss how these models can contribute new theoretical insights for empirical researchers across a broad range of strategic management phenomena.

## SESSION 180

### RESOURCE REDEPLOYMENT

<b>TRACK F, TRACK K</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Charlottenburg I

#### Resource Redeployment

##### Chair

Marvin Lieberman, *University of California, Los Angeles*

##### Panelists

Jay Anand, *Ohio State University*

Timothy Folta, *University of Connecticut*

Constance Helfat, *Dartmouth College*

Samina Karim, *Northeastern University*

Douglas Miller, *Rutgers University*

The topic of resource redeployment—inter-temporal economies of scope—has generated considerable momentum, as represented by the increase of research being done (e.g., Anand and Singh, 1997; Capron and Mitchell, 1998; Capron, Dussauge and Mitchell, 1998; Eisenhardt and Brown, 1999; Helfat and Eisenhardt, 2004; Karim, 2006; O'Brien and Folta, 2009; Levinthal and Wu, 2010; Wu, 2013; Sakhartov and Folta, 2014, 2015; Lieberman, Lee, and Folta, 2015). Resource redeployment refers to the withdrawal of resources from one business and reallocation of the resources to another business inside a multi-business firm. It provides a greater potential to escape from declining prospects in a business (Anand and Singh, 1997), and is particularly valuable in turbulent environments (Eisenhardt and Brown, 1999). As a result, resource redeployment may affect not only firm value creation, but also firm and industry evolution. Yet, what are the organizational challenges to resource redeployment? Panelists include successful authors and current and past editors of journals such as the *Global Strategy Journal* and *Strategic Management Journal*. Key questions to be addressed: What are the organizational challenges to resource redeployment? Organizational challenge (1): HUMAN RESOURCES AND INCENTIVES Discussion question (broadly): How can executives manage the human resource challenges around resource redeployment (i.e., maintaining morale of employees; or getting division managers to take actions that can lead to withdrawal of resources)? Organizational challenge (2): ORGANIZATIONAL STRUCTURE

Discussion question (broadly): How can multi-business firms deal with resource redeployment using the existing organizational structure and/or an internal labor market? Format: Introduction 09:30-10:30: Each panelist presents for about 5 minutes, with each presentation followed by questions from the moderator and the audience. 10:30-10:45: General Q&A session and wrap-up

## SESSION 247

### INTERNATIONALIZATION OF FAMILY FIRMS: A MICROFOUNDATIONS PERSPECTIVE

<b>TRACK G</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Knight

#### Internationalization of Family Firms: A Microfoundations Perspective

##### Chair

Liena Kano, *University of Calgary*

##### Panelists

Kimberly Eddleston, *Northeastern University*

Mattias Nordqvist, *Jonkoping University*

Carlo Salvato, *Bocconi University*

Alain Verbeke, *University of Calgary*

The role and behavior of family firms in the global economy is attracting increasing scholarly attention, yet despite the increased research activity on family firm internationalization, the field remains divided. To date, no theoretical consensus has been reached on family firm internationalization; similarly, empirical findings remain largely inconclusive. Most studies focus on relative internationalization of family firms as compared to their non-family counterparts, and fall within two large camps: (1) a 'facilitating' camp, populated by studies exploring unique features of family governance that promote internationalization; these studies typically show that family firms are more internationalized than non-family firms; and (2) a 'constraining' camp, consisting of studies analyzing family firm-specific barriers to internationalization – not surprisingly, these studies show that family firms are less and/or more narrowly internationalized than non-family ones. We propose a different research question: What are unique, family-firm specific features of managerial decision making in the context of international governance? In this panel we aim to explore micro-level details of internationalization-related decision making by family firm owners and managers. We aim to discover how family firms make important strategic decisions on international governance, while using international business-theoretic approaches currently underrepresented in family firm internationalization field. Our ultimate objective is to chart future research agenda on family firms in the global economy to guide both theoretical development and empirical approaches, and to solve the existing dichotomy in the field.

## SESSION 198

**RESEARCHING PROCESSES IN STRATEGY: CORE CHALLENGES AND OPPORTUNITIES**

<b>TRACK H, TRACK R</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Bishop

**Researching Processes in Strategy: Core Challenges and Opportunities****Chair**

Andreas Schwab, *Iowa State University*  
Ioannis Thanos, *Lancaster University*

**Panelists**

Tomi Laamanen, *University of St. Gallen*  
Ann Langley, *HEC Montréal*  
Catherine Maritan, *Syracuse University*  
Taco Reus, *Erasmus University-Rotterdam*

The aim of this panel session is to bring together insights from high-level practitioners and academic scholars to identify and reflect on critical questions regarding strategy processes pertaining to formation, implementation, and evaluation of strategy – specifically related to relevance and impact of strategy theory for/on strategy in the practice field. Before the session, the panelists are asked to provide their personal opinion on the most important issues and challenges on this topic. In this session, we will bring these different insights together to get a thought provoking discussion on how to move forward this research stream.

## SESSION 280

**FOUNDATIONS INTERVIEW: A CONVERSATION WITH PROF. GAUTAM AHUJA**

<b>TRACK I</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Tiergarten II

**Foundations Interview: A Conversation with Prof. Gautam Ahuja****Chair**

Gautam Ahuja, *University of Michigan*

**Panelists**

Arzi Adbi, *INSEAD*  
Andrea Contigiani, *University of Pennsylvania*

This year we have the pleasure of hearing from Prof. Gautam Ahuja in our well known tradition of the Foundations Interview. Voted one of the most influential thinkers in Strategy and Innovation by a recent survey of SMS members, Prof. Ahuja brings to the conversation a rich trajectory of breakthrough research accompanied with a successful history of translating research into impact in practice. The Foundations Interview will discuss with Prof. Ahuja the steps that built his research career and his view for Strategy going forward.

## SESSION 232

**RELEVANCE AND IMPACT OF STRATEGY THEORY FOR STRATEGY PRACTICE**

<b>TRACK J</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	King

**Relevance and Impact of Strategy Theory for Strategy Practice****Chair**

George Tovstiga, *EDHEC Business School*

**Panelists**

Jacob Bruun-Jensen, *University of Reading*  
Duncan Campbell, *Cognosis Consulting*  
Mehdi Farhadi, *Steelcase*  
Richard Whittington, *University of Oxford*

This panel addresses the apparent growing disconnect between strategy theory and strategy practice; it seeks to bring together strategy academics as well as strategy practitioners (practitioners of strategy in business, strategy consultants) and to solicit their views on the following questions: To what extent is strategy theory (i.e. what the strategy academic community is researching and publishing) today relevant to the real needs of the strategy practitioner? What the issues – i.e. is there a disconnect, and does it really matter (relevance question)? In what areas do we see the greatest disconnect; what is the impact (if any) of this disconnect on the field of business strategy on the whole? How might the disconnect be effectively addressed, resolved?

## SESSION 233

**THEORIES OF ENTREPRENEURSHIP**

<b>TRACK K</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Bellevue

**Theories of Entrepreneurship****Chair**

Emily Cox Pahnke, *University of Washington*

**Panelists**

Jay Barney, *University of Utah*  
Peter Klein, *Baylor University*  
Keith Hmieleski, *Texas Christian University*  
Wesley Sine, *Cornell University*

Entrepreneurship has been criticized for being a field in search of a theory. Despite this, entrepreneurial research has proliferated, providing insights into existing organizational theories as well as making claims to new theoretical perspectives. This panel will examine how future entrepreneurship research can inform and expand extant organizational theories; aspects of entrepreneurship current organizational theories cannot address; and the potential that new entrepreneurship theories have to inform the field. The panelists will discuss the theoretical lenses they use in their research and the limitations of these theories. A broader discussion will then engage participants in considering the boundary conditions of extant theories and how new theoretical approaches can be used to better understand entrepreneurial phenomena.



#### SESSION 277

### THE STRATEGIC HUMAN CAPITAL INTEREST GROUP: A SIX YEAR RETROSPECTIVE AND LOOK AHEAD

<b>TRACK L</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Queen

#### The Strategic Human Capital Interest Group: A Six Year Retrospective and Look Ahead

##### Chair

Thomas P. Moliterno, *University of Massachusetts, Amherst*

##### Panelists

Clint Chadwick, *University of Kansas*  
 Russell Coff, *University of Wisconsin-Madison*  
 Patrick Wright, *University of South Carolina*  
 Todd Zenger, *University of Utah*

#### SESSION 144

### STAKEHOLDER STRATEGY AND ETHICS

<b>TRACK M</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Tiergarten I

#### Stakeholder Strategy and Ethics

##### Chair

Edward Freeman, *University of Virginia*  
 Robert Phillips, *University of Richmond*

In 2015, there was an SMS extension workshop entitled “Stakeholder Theory at the Crossroads.” Outcomes of this workshop included not only a call for a special issue of *Business & Society* of the same name (edited by Jay B. Barney and Jeffrey S. Harrison – submission deadline Dec. 1), but a list of what participants saw as the most pressing questions confronting stakeholder strategy. This Sunday session will open a space to discuss the role and pertinence of ethics and moral reasoning to these questions. Which among the questions would be better informed by explicit attention to ethics and which cannot be answered at all absent such considerations? We anticipate a highly interactive session with extensive engagement from attendees.

#### SESSION 173

### ALLIANCE DYNAMICS AND INSTABILITY: NEW PERSPECTIVES TO MOVE RESEARCH FORWARD

<b>TRACK N</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Kopenick I/II

#### Alliance Dynamics and Instability: New Perspectives to Move Research Forward

##### Chair

Olga Bruyaka, *West Virginia University*  
 Xavier Castaner, *University of Lausanne*

##### Panelists

Africa Ariño, *IESE Business School*  
 Ralph Heidl, *University of Oregon*  
 Anoop Madhok, *York University*  
 Francisco Polidoro, *University of Texas at Austin*

The objective of this session is to bring together scholars who work on the topics of alliance dynamics and alliance instability to discuss research advances, research gaps and new theoretical and methodological approaches to study these topics. Several research avenues will be part of this discussion including closer integration of research on alliance formation/stability with research on alliance termination/instability; considering novel determinants of alliance instability beyond the dominant internal tensions perspective; joint consideration of economic and socio-psychological explanations of alliance dynamics and evolution; considering various types of alliance instability (e.g., voice, exit, etc.) as well as their positive or negative consequences; bridging individual-level and organizational-level analyses; broader use of process studies on alliance dynamics and instability etc. The session will feature panelists’ presentations and open discussion with the audience.

#### SESSION 147

### EXPANDING THE HORIZONS OF STRATEGIC LEADERSHIP: INFUSING NEW THEORETICAL PERSPECTIVES

<b>TRACK O</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Charlottenburg III

#### Expanding the Horizons of Strategic Leadership: Infusing New Theoretical Perspectives

##### Chair

Albert Cannella Jr, *Texas A&M University*

##### Panelists

Theresa Cho, *Seoul National University*  
 Andreas Koenig, *University of Passau*  
 Sucheta Nadkarni, *University of Cambridge*  
 Zeki Simsek, *University of Connecticut*

Despite the considerable growth of strategic leadership research over the past 30 years, there is a need to expand the theoretical boundaries of this area by infusing new theories that allow a deeper understanding of how firm strategies are reflections of their leaders. Panelists in this session will discuss their works, which build on diverse theories that lend unique and novel understanding of the strategic leadership phenomenon at individual, group, organizational and inter-organizational levels. The audience will be invited to discuss on how to move the strategic research stream forward. It is hoped that this session can serve as a loose alliance of scholars that support and challenge each other to better understand how strategic leadership diffuses across different levels and contexts.

## SESSION 304

**MARKETS, CATEGORIES, AND COMPETITION**

<b>TRACK P</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Charlottenburg II

**Markets, Categories, and Competition****Chair**Joseph Porac, *New York University***Panelists**Gino Cattani, *New York University*Ji-hyun Kim, *Yonsei University*Violina Rindova, *University of Texas at Austin*Daniel Sands, *New York University*Edward Smith, *University of Michigan*Fernando Suarez, *Northeastern University*

Categorical nomenclatures emerge among market actors to define organizational forms and establish boundaries between who is a member of a given market and who is not. Such categories can become intrinsic to markets and embedded in the competitive process in multifaceted and theoretically critical ways. Most importantly, categories help to establish the grounds for assessing competitive advantage. A competitive advantage exists only relative to a set of other firms that are considered comparable in enough ways to make a performance comparison meaningful. But what is comparability, and how should comparability among firms be assessed? Just as strategic management researchers began to deemphasize the study of strategic groups in the late 1990's, developments in both industrial economics and organizational theory opened up new insights into the problem of market categorizations. On the one hand, the "new empirical industrial economics" has driven deeply into imperfectly competitive markets to identify relationships between competitive interdependencies across product attributes and value capture by firms and buyers. Organizational theorists, on the other hand, have embraced social constructionist accounts of markets to establish relationships between the socio-cognitive category structure of organizational fields and outcomes such as firm revenues, costs, capital inflows, and stock prices. Together, these two literatures address longstanding issues in the study of imperfect competition. Both are limited in important respects, however, suggesting the need for additional theorizing and, most importantly, interdisciplinary research. We believe that strategic management researchers are in an excellent position to address this need, and also that the time is ripe to re-invigorate the study of categories and competition in strategic management research. This session brings together scholars who are working new directions in the study of categories and competition.

## SESSION 235

**LEARNING FROM TEACHING FAILURES, ACHIEVING TEACHING SUCCESSES**

<b>TRACK T</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	09:30 – 10:45
<b>IG Sunday</b>	<b>Room</b>	Kopenick III

**Learning from Teaching Failures, Achieving Teaching Successes****Chair**Sabine Baumann, *Jade University of Applied Sciences*Christoph Wunck, *Jade University of Applied Sciences***Panelists**Britta Boyd, *University of Southern Denmark*Marion Festing, *ESCP Europe*Robert Grant, *Bocconi University*Alan Hoffman, *Bentley University*Frank T. Rothaermel, *Georgia Institute of Technology*Charles Shrader, *Iowa State University*

This hands-on panel session brings together experienced educators and program leaders—all with anecdotes to share—who shed light on teaching failures and how educators can recover and grow from them. Panelists will talk about Red Flags that may indicate a potential classroom crisis is on the horizon and how to navigate the treacherous waters. They will also discuss how to learn from less-than perfect classroom performance, converting failure into success.

10:45 – 11:15  
**COFFEE BREAK**



# SESSION 140

## PLATFORMS AND ECOSYSTEMS: THE NEW LOCUS OF COMPETITIVE ADVANTAGE

TRACK E	Date	Sunday, Sep 18
	Time	11:15 – 12:30
IG Sunday	Room	Tegel

### Platforms and Ecosystems: The New Locus of Competitive Advantage

#### Chair

Vikas Aggarwal, *INSEAD*

#### Panelists

Carmelo Cennamo, *Bocconi University*

Annabelle Gawer, *University of Surrey*

Henning Piezunka, *INSEAD*

Feng Zhu, *Harvard University*

In recent years platforms and ecosystems, such as those from Apple, Google and Facebook, have come to play an increasingly important role in enabling firms to create and sustain competitive advantage. How have platforms and ecosystems changed the rules of the game in competitive strategy? Leading scholars in this area will highlight issues at the forefront of re-search on this topic, focusing on questions such as how incentive, organization, and governance design in the context of platforms and ecosystems can influence innovation and the locus of competitive advantage. The session will aim to map out the frontier of knowledge on this topic, highlighting key open areas for future research.

# SESSION 246

## AFRICAN AWAKENING: STRATEGIC MANAGEMENT IN AFRICA

TRACK G	Date	Sunday, Sep 18
	Time	11:15 – 12:30
IG Sunday	Room	Knight

### African Awakening: Strategic Management in Africa

#### Chair

Michael Mol, *Copenhagen Business School*

#### Panelists

Alvaro Cuervo-Cazurra, *Northeastern University*

Stephan Manning, *University of Massachusetts, Boston*

Charles Stevens, *Lehigh University*

Yue Xu, *University of Hull*

Are you tired of the same old datasets? Africa offers something new, a setting where new theories can emerge. Africa is on the rise. Nigeria and Zambia have the highest proportion of early stage entrepreneurs, African multinationals like Dangote Group and MTN start to get attention in the press, and Western governments are concerned that Chinese multinationals are gaining an edge. While Africa is growing, it does not necessarily follow the same path as other economies. For example, mobile phone based technology and the informal economy play a particularly significant role. Some parts of Africa continue to face extremely challenging conditions, including wars, famines, diseases, and repressive regimes, although other parts are increasingly overcoming those conditions. In our panel the editors and authors will share some of the insights emerging from an upcoming special issue in the *Global Strategy Journal* on Africa. Participants will learn about how Africa can inform our theorizing, what is novel about the African context, and what the strategic management in Africa research agenda looks like.

# SESSION 179

## THE MODERN FIRM REVISITED: NEW DESIGNS FOR ORGANIZATIONAL PROCESSES, PERFORMANCE AND INNOVATION

TRACK F, TRACK H	Date	Sunday, Sep 18
	Time	11:15 – 12:30
IG Sunday	Room	Charlottenburg I

### The Modern Firm Revisited: New Designs for Organizational Processes, Performance and Innovation

#### Chair

John Joseph, *University of California, Irvine*

Metin Sengul, *Boston College*

#### Panelists

Samina Karim, *Northeastern University*

Mikolaj Piskorski, *IMD Business School*

Phanish Puranam, *INSEAD*

Brian Silverman, *University of Toronto*

Nils Stieglitz, *Frankfurt School of Finance and Management*

This session provides a forum for discussing the modern firm and the state and future of strategy and management research examining it. What defines a “modern” firm evolves over time as economic, social, and technological environment that the firms operate in changes, and as firms and entrepreneurs innovate new ways of organizing in response to, or in anticipation of, such changes. Today some firms are similar to their counterparts of the past several decades, some firms adopt truly novel organizational forms, and most firms are in between the two, representing an amalgamation of old and new features. The main focus of this session is to discuss the ways in which the current research informs our understanding of the contemporary firms –from start-ups to large conglomerates, manufacturing to services, ordinary businesses to high-tech firms– and what challenges and gaps lies ahead for the researchers. Discussion topics will likely include shifting and porous organizational boundaries; resolving tensions between structural stability and flexibility; implications of decreasing costs of communication and information acquisition within and across firms; organizational complexity; strategic leadership challenges; and key contingencies in designing high performing organizations.

# SESSION 279

## STRATEGIC AND ORGANIZATIONAL CHALLENGES IN A WORLD OF COLLIDING ECOSYSTEMS

TRACK I	Date	Sunday, Sep 18
	Time	11:15 – 12:30
IG Sunday	Room	Tiergarten II

### Strategic and Organizational Challenges in a World of Colliding Ecosystems

#### Chair

Michael G. Jacobides, *London Business School*

#### Panelists

Yves Doz, *INSEAD*

Frank Elter, *Telenor Group*

Sigrídur Siguradóttir, *Banco Santander*

Mary Tripsas, *Boston College*

As vertical unbundling and industry convergence become the norm, corporates large and small are dealt with new challenges. Mobile telecommunications and banking offer particularly good examples: Challenged by unbundling, technological change and the rapid growth of new types of complementors and competitors (app and content providers and fintech respectively), but also by overlap between these two sectors, major telcos and banks need to redefine both who they are, and how they

connect with varied and dynamic ecosystems. Through a conversation between two senior industry executives and three academics, this panel will explore the substantive strategic challenges facing existing firms, and consider the organizational transformation that is also required, so that incumbents be able to match their agility with their ecosystem's dynamism in today's shifting context.

## SESSION 253

**CULTURAL PERSPECTIVES ON STRATEGIC MANAGEMENT**

<b>TRACK J</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	King

**Cultural Perspectives on Strategic Management****Chair**

Joel Gehman, *University of Alberta*

Krsto Pandza, *University of Leeds*

**Panelists**

Shahzad Ansari, *University of Cambridge*

Rodolphe Durand, *HEC-Paris*

Candace Jones, *University of Edinburgh*

Michael Lounsbury, *University of Alberta*

Richard Whittington, *University of Oxford*

This session aims to spark conversations between scholars at the intersection of strategic management and organization theory. In particular, we hope the event will generate awareness of, stimulate interest in, and set direction for research at the SM-OT interface. Especially, the panelists will address potential connections between perennial strategy topics such as resources, capabilities, innovation, competition, governance, non-market strategy and strategy process and practice and topics of central interest to organization theory such as institutional logics, organizational forms, legitimacy, creativity, framing and categories. Panelists will identify the most promising questions that could benefit from integrating strategy and organizational theory concepts as well as discussing possible challenges of such a theoretical bricolage.

## SESSION 234

**SOCIAL ENTREPRENEURSHIP**

<b>TRACK K</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Bellevue

**Social Entrepreneurship****Chair**

Aseem Kaul, *University of Minnesota*

**Panelists**

Matthew Lee, *INSEAD*

G. T. Lumpkin, *University of Oklahoma*

Jasjit Singh, *INSEAD*

Shaker Zahra, *University of Minnesota*

Social entrepreneurship is both an increasingly important empirical phenomenon, and a subject of growing academic interest. This panel brings together leading scholars in the area to discuss and debate a research agenda for this emerging field. What are some defining insights from research on social entrepreneurship to date? What theoretical and empirical challenges do researchers studying social entrepreneurship face? What are the exciting new developments and / or opportunities for future exploration in this space? How should we think about social entrepreneurship research in relation to both the entrepreneurship literature, and the literature on corporate social responsibility and sustainability more broadly? We hope to address these and related questions through an interactive discussion with our panelists.

## SESSION 275

**STRATEGY MICROFOUNDATIONS AND HUMAN CAPITAL: THE WAY FORWARD**

<b>TRACK L</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Queen

**Strategy Microfoundations and Human Capital: The Way Forward****Chair**

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

**Panelists**

Teppo Felin, *University of Oxford*

Barry Gerhart, *University of Wisconsin-Madison*

Heli Wang, *Singapore Management University*

Todd Zenger, *University of Utah*

In the strategy field, a revolution in research on strategic human capital has gone hand in hand with a renewed focus on the micro-foundations of our theories. A common focus on people and their organizational context has led to a natural convergence between these two research streams, and a vigorous outpouring of scholarship that has galvanized our broader field. This panel will bring together leading scholars to discuss important unanswered research questions in human capital microfoundations and highlight major opportunities to advance this field in the future.

## SESSION 145

**RECENT WORK ON STAKEHOLDER THEORY: WHAT DO WE THINK WE KNOW?**

<b>TRACK M</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Tiergarten I

**Recent Work on Stakeholder Theory: What Do We Think We Know?****Chair**

Jeffrey Harrison, *University of Richmond*

**Panelists**

Doug Bosse, *University of Richmond*

Sybilie Sachs, *Zurich University of Applied Sciences*

Stakeholder theory is gaining popularity in the strategic management literature. Over the past decade a number of theoretical and empirical papers and books have been published that attempt to address questions that are important in the strategy literature. What have we learned over the past decade? Are there core elements of stakeholder theory upon which we can all agree? Can we draw any conclusions upon which future research can build?



## SESSION 175

### UNPACKING ORGANIZATIONAL ROLES IN THE CONTRACT DESIGN PROCESS

<b>TRACK N</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Kopenick I/II

#### Unpacking Organizational Roles in the Contract Design Process

##### Chair

Jason Pattit, *University of St. Thomas*

##### Panelists

Fabrice Lumineau, *Purdue University*

Kyle J. Mayer, *University of Southern California*

Peter Smith Ring, *Loyola Marymount University*

Beverly Tyler, *North Carolina State University*

Research has shown that contracts not only safeguard against risks, but also help to establish guidelines for coordination and adaptation in a variety of contexts including alliances, joint ventures and mergers and acquisitions. However, less work has examined the actual contract design process and the organizational roles (i.e., legal, technical, managerial) played by the individuals in the process. Thus, this panel brings together scholars who seek to advance our understanding of how the organizational roles of the individuals involved in contract design influence the contracting process. We will focus on three questions: (1) which contract terms and organizational roles are associated with each other; (2) how do the relationships between the roles impact contract evolution; and (3) what factors influence how the individuals involved in developing contracts learn their organizational roles? This session will also offer an opportunity for the panelists and the audience to discuss new research directions including the need for more work that examines the actual contracting process and its often iterative, multipoint nature that involves individuals in different locations within organizations.

## SESSION 148

### ADVANCES IN DATA COLLECTION METHODOLOGIES AND ANALYSES IN STRATEGY RESEARCH

<b>TRACK O, TRACK R</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Charlottenburg III

#### Advances in Data Collection Methodologies and Analyses in Strategy Research

##### Chair

Aaron Hill, *Oklahoma State University*

Michael Withers, *Texas A&M University*

##### Panelists

Federico Aime, *Oklahoma State University*

Emily Block, *University of Notre Dame*

Michael Mannor, *University of Notre Dame*

Panelists will briefly introduce the value of videometrics and survey/historiometrics data collection tools and between and within, endogeneity, and qualitative methodologies for strategy research. Interactive breakout discussions on each topic will follow.

## SESSION 305

### STRATEGY AND IMAGINATION: TWO CONTRASTING PERSPECTIVES

<b>TRACK P</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Charlottenburg II

#### Strategy and Imagination: Two Contrasting Perspectives

##### Chair

Rhonda Reger, *University of Tennessee*

##### Panelists

Giovanni Gavetti, *Dartmouth College*

Joseph Porac, *New York University*

Strategic management research has been strongly influenced by the Carnegie School rooted in the work of Herbert Simon and his collaborators. The notion of bounded rationality that is central to the Carnegie School of thought has served as a useful “micro-foundations” theory of the managerial mind. However, alternative perspectives on rationality, especially those that account for the role of imagination in strategic decision making have remained unexplored. This session presents a discussion and debate of two contrasting perspectives on strategy and imagination to expand the conversation about the micro-foundations of strategic decision making.

## SESSION 251

### GETTING STARTED WITH META-ANALYSIS: KEY ISSUES AND EXECUTION

<b>TRACK R</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Bishop

#### Getting Started with Meta-Analysis: Key Issues and Execution

##### Chair

James Combs, *University of Central Florida*

##### Panelists

T. Russell Crook, *University of Tennessee*

This workshop will explore both conceptual and practical issues associated with meta-analysis. The first half of the workshop will focus on high level issues, such as why it is used (aggregating evidence about a phenomenon while reducing problems associated with sampling and measurement error), and when it is useful (resolving debates, testing theory, etc). The second half of the workshop will walk participants a completed meta-analyses, starting with creation of a coding sheet, coding of two sample papers, data input, run numbers, and output.

## SESSION 252

**TEACHING STRATEGY TO UNDERGRADUATE:  
DESIGNING AND DELIVERING A SUCCESSFUL  
BUSINESS CAPSTONE COURSE IN STRATEGIC  
MANAGEMENT.**

<b>TRACK T</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	11:15 – 12:30
<b>IG Sunday</b>	<b>Room</b>	Kopenick III

**Teaching Strategy to Undergraduate: Designing and Delivering a Successful Business Capstone Course in Strategic Management.****Chair**

Myleen Leary, *Montana State University*  
Vijaya Narapareddy, *University of Denver*

**Panelists**

Larry Chasteen, *University of Texas at Dallas*  
Michael Devaughn, *University of St. Thomas*  
Robert Grant, *Bocconi University*  
Luciano Oviedo, *Intel*  
Richard Smith, *Singapore Management University*

This panel introduces various teaching methods of delivering business capstone course, such as simulation, project-based, and case-based learning. While these methods seem different, the challenges that the instructors face seem universal. For example, students find it difficult to embrace the uncertainty of business problems; and instructors also need to meet the objective of integrating students' learning from a myriad of subjects (i.e., strategy, marketing, finance, human resources, and operation), and approach the problem with breadth and depth. Therefore, the goal of this panel is to provide an overview of various approaches to the capstone course, identify key challenges, and share ideas on how to overcome some challenges.

12:30 – 13:30

**LUNCH**

13:45 – 14:15

**CONFERENCE OPENING REMARKS**

SESSION 307

# THE STRATEGIC MANAGEMENT OF CITIES

## TRACK PLENARY

Date Sunday, Sep 18

Time 14:30 – 15:45

## Plenary Panel

Room Potsdam I

## The Strategic Management of Cities

### Leaders

Michael Nippa, *Free University of Bozen-Bolzano*

Dodo zu Knyphausen-Aufsess, *Technical University of Berlin*

### Panelists

David Audretsch, *Indiana University*

Thomas Lawton, *Open University*

Annise Parker, *Rice University*

Sandrine Perino, *Current, powered by GE*

"Cities" are the place where many of today's most urgent problems – overpopulation, pollution, mobility and quality of life issues, to name just a few – come together in high density. How can cities become smarter, how can a strategic management perspective help to frame the problem space and provide possible solutions? More specifically, the question may arise how a strategic management perspective can improve planning processes and overcome the political obstacles that usually make the stringent development and implementation of city-related strategies so difficult? On the other hand, what can companies do to support cities and develop problem solutions that benefit and are accepted by the city's population? How can cities as well as private companies engage in the area of "political strategies" and interact with each other in a constructive way?



**MICHAEL NIPPA** is a Full Professor of Strategic Management and Innovation at the Faculty of Economics and Management at the Free University of Bozen. From 1982 until 1996 he was co-founder and managing director of a management consulting firm. Until 2014 he held a Chair of Management, Leadership, and Human Resources at the Technische Universität Bergakademie Freiberg. He has spent research sabbatical leaves at the Marshall School of Business (USC), at the Australian Graduate School of Management (UNSW), and at the Lee Kong Chian School of Business (SMU). His predominantly interdisciplinary research addresses strategic management issues in the fields of international management, corporate portfolio management, corporate governance, innovation management, social acceptance of technologies, organizational design, leadership and motivation.



**DODO ZU KNYPHAUSEN-AUFSESS** is a professor of Strategic Leadership and Global Management at Technische Universität Berlin. Before he joined TU Berlin in late 2008, he served as a chair professor at the universities of Jena (1994-1999) and Bamberg (1999-2008) and as an endowment professor at the University of Heidelberg (all universities in Germany). He has served as a dean of the Faculty of Economics and Management at TU Berlin from 2011-2013 and as the vice president and president of the German Academic Association of Business Research (VHB) from 2011-2014. His and his chair's research focuses on stakeholder influence on strategic decisions, mergers & acquisitions, diversification, top management teams and, most recently, on the strategic management of cities.



**DAVID AUDRETSCH** is a Distinguished Professor and Ameritech Chair of Economic Development at Indiana University, where he also serves as Director of the Institute for Development Strategies. He is also Honorary Professor of Industrial Economics and Entrepreneurship at the WHU-Otto Beisheim School of Management in Germany and a Research Fellow of the Centre for Economic

Policy Research in London. Audretsch's research has focused on the links between entrepreneurship, government policy, innovation, economic development and global competitiveness. He is Co-Founder and Editor-in-Chief of *Small Business Economics: An Entrepreneurship Journal*. He was awarded the Global Award for Entrepreneurship Research by the Swedish Foundation for Small Business Research.



**THOMAS LAWTON** is Professor of Strategy and International Management at the Open University Business School and Visiting Professor of Business Administration at the Tuck School of Business at Dartmouth. His work is situated at the intersection of strategy, innovation and internationalization, with a particular emphasis on business model innovation, non-market strategy, and political

risk management. He has worked for over 20 years in consulting and executive development, advising entrepreneurs and managers on how to develop and enhance their strategic thinking and practice. He is Associate Editor of *Long Range Planning* and Series Editor of the *Strategy Matters* book series for Routledge.



**ANNISE PARKER** is the former mayor of Houston and one of the only two women to hold the City's highest elected office. Parker was elected Mayor of Houston in 2010. Now a Fellow at the Doerr Institute for New Leaders at Rice University and Senior Vice President and Chief Strategy Officer at Neighborhood Centers, Inc., she's a FirstNet board member and on the US Department of Homeland

Security Secretary's Advisory Council. Parker chaired the U.S. Conference of Mayors Criminal and Social Justice Committee, was a member of President Obama's Task Force on Climate Preparedness and Resilience, and on the steering committee of the C40 Cities Climate Leadership Group. She worked for 20 years in the oil industry prior to entering politics, and co-owned *Inklings*, a lesbian/feminist bookstore for 10 years.



**SANDRINE PERINO** is the Head of Digital Sales for *Current, powered by GE* in Europe and the Middle East. She began her career in IT and Telecom with marketing and sales roles developing channel and new businesses for start-ups or giant companies like Intel. Then she developed her knowledge of the Energy and Sustainable Development markets within ESCP business school where she produced a

report on "Smart Grid market in France: programmed failure or sustainable development opportunity". She joined *GE Lighting* to develop Smart Cities in Europe and expanded her scope to Smart Solutions and Software Strategy for cities and enterprises within *Current*. She holds a Master in Economy & Industry and a Master in Telecom business from Dauphine University.

## SESSION 308

## THE FUTURE OF GROWTH

<b>TRACK PLENARY</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	14:30 – 15:45
<b>Plenary Panel</b>	<b>Room</b>	Potsdam III

## The Future of Growth

## Leaders

Ulrich Pidun, *Boston Consulting Group*  
Anja Tuschke, *University of Munich*

## Panelists

Niko Paech, *Oldenburg University*  
Walter Sinn, *Bain & Company*  
Karsten Wildberger, *E.ON SE*  
Maurizio Zollo, *Bocconi University*

"Growth" is one of the mantras of our economy. We tend to believe that growth is something positive and that the economy is prospering if the gross domestic product (GDP) is rising. A shrinking economy is seen as an economy in crisis. A similar kind of thinking applies to the company level – the growth of a firm is usually seen as an indicator for success. At the same time, however, there are voices propagating a de-growth economy, building on the intuition that many resources – particularly those in the natural environment – are limited and may, therefore, restrict the idea of continuous growth. Hence, these voices argue that there is a need for a sustainable, "qualitative" growth – growth that does not correlate with ever increasing resource consumption. Others go even further and propose a post-growth economy. They argue that it is not possible to generate "qualitative" growth that is decoupled from ecological damages. What implications does this discussion have for strategic management research? Do we need a new theory of the firm that fits into this new context? Do we have a compelling concept of "qualitative" growth? How should companies prepare for a low-growth economy? Our panel discussion will address these and related questions and their implications for our future research agenda.



**ULRICH PIDUN** is a director at The Boston Consulting Group (BCG) in Frankfurt, Germany, and global topic leader for corporate strategy. He advises large international companies on their corporate-level strategy, governance and organization. In addition to his work at BCG, Ulrich Pidun serves as honorary professor for corporate strategy at Technical University of Berlin, Germany. His research interest is in corporate-level strategy, portfolio

management, corporate organization and risk management. He studied chemistry and mathematics in Marburg and London and holds a PhD in theoretical chemistry from Marburg University, Germany, and a master of business administration from INSEAD, Fontainebleau, France.



**ANJA TUSCHKE** is Professor of Strategic Management at the University of Munich. Prior to joining the Munich School of Management, Anja Tuschke held the position of a director at the Institute of Organization and HR Management at the University of Bern in Switzerland. Anja Tuschke's research interests revolve around the link between corporate governance and executive leadership. She

is particularly interested in how the selection, compensation, and networks of directors affect strategic decisions and outcomes. Anja Tuschke was a Representative-at-large for the Corporate Strategy and Governance Interest Group of the Strategic Management Society and serves on the editorial boards of *Strategic Management Journal*, *Academy of Management Journal* and *Business and Research*.



**NIKO PAECH** is an adjunct professor at the Carl von Ossietzky University as a temporary visiting professor for production management and environment. He received his PhD from the University of Osnabrück in 1993 for his dissertation on industrial economics and game theory. For several years, he was the Coordinator of the Local Agenda 21 process in Oldenburg, then the Project coordinator and a scientific researcher at the University of Oldenburg. Niko Paech's research interests include microeconomics, industrial economics, environmental economics, climate protection, innovation and diffusion theory, supply chain management, and post growth economics.



**WALTER SINN** heads Bain & Company's operations in Germany. He is a renowned expert for management issues with over 20 years of consulting experience. Walter Sinn advises leading corporate and financial institutions in Germany and across Europe on growth strategies, strategic realignment, efficiency improvement, reorganization and change management, large transformation programs, and post-merger integration. One major focus of his consultancy agenda is finding solutions of how to deal with predictable crises of growth and overcome growth hurdles around the newly published growth Bain study "The Founder's Mentality". He has studied Business Administration at the University of Mannheim and at the ESSEC in Paris before starting his career in consulting.



**KARSTEN WILDBERGER** has been a member of the Board of Management of E.ON SE since April 2016. As Chief Markets Officer, he is responsible for Renewables, Marketing, Digital Transformation, Innovation and Customer Solutions. Before joining E.ON, he served from 2013 to 2016 as a member of the Management Board of the Telstra Group, an Australian telecommunications company based in Melbourne. Initially, he was in charge of Telstra's consumer business and digital transformation. Later, he was also responsible for business customers and product development. He served as a Director for the Telstra Foundation and for Telstra Ventures. Karsten Wildberger holds a PhD in physics from the Technical University and obtained an MBA from INSEAD.



**MAURIZIO ZOLLO** is the Dean's Chaired Professor in Strategy and Sustainability at the Management and Technology department of Bocconi University, and director of the Center for Research in Organization and Management (CROMA). He also has a part-time chair appointment at the Vienna School of Economics and Business (WU) and a visiting professorship at the Sloan School of Management at MIT. He is currently the president of the European Academy of Management (EURAM), after having served as editor of the *European Management Review*, EURAM's official journal. His current research activity focuses on directing the Global Organizational Learning and Development Network for Sustainability and on applying neuroscience to study the micro-foundations of strategic decisions related to innovation and sustainability.



## SESSION 193

### THE TRANSFORMATION OF MOBILITY: CHALLENGES FOR FIRMS AND NEW DIRECTIONS FOR STRATEGY RESEARCH

<b>TRACK A, TRACK X</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Parallel Panel</b>	<b>Room</b>	Bellevue

#### The Transformation Of Mobility: Challenges For Firms And New Directions For Strategy Research

##### Chair

Michael G. Jacobides, *London Business School*

##### Panelists

Annabelle Gawer, *University of Surrey*

Constance Helfat, *Dartmouth College*

John Paul MacDuffie, *University of Pennsylvania*

Francesco Zirpoli, *Ca' Foscari University of Venice*

After a long period of stability, the automotive sector is transforming. With software and communications technologies expanding, electric and driverless cars coming of age and sharing models redefining the “mobility sector”, incumbents and challengers are repositioning and re-grouping in ecosystems. Through the panel discussion and Q&A with the audience, we will consider how these changes shape firms’ strategic challenges. But, mostly, it will look at how our constructs and theories are put to the test: What is it that we can explain on the basis of what our theories and constructs suggest? What can we not yet efficiently account for? And, more to the point, what does this tell us about the future questions we should be asking as a research community?

## SESSION 281

### SOCIAL MOVEMENT STRATEGIES, CONSEQUENCES, AND EVOLUTION

<b>TRACK B</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Kopenick I/II

##### Chair

#### Antecedents of Power Allocation in Affiliation Governance for Scaling Up

Benedetto Cannatelli, *Catholic University of the Sacred Heart*

Alessandro Giudici, *City University London*

Brett Smith, *Miami University*

We investigate what drives social organizations to move between alternative governance structures in support of affiliation modes for scaling up impact. Building on a longitudinal account of how a global network of social incubators transformed its governance, we advance a model that explains how decision-making rights are allocated in affiliation modes for scaling up impact. The model suggests that the balance between centralization and decentralization in decision-making rights allocation is contingent on the maturity of the social organization’s business model and the collective identity shared by network members. These two antecedents are expected to have competing effects on the allocation of decision-making rights and thus to create a fundamental tension in the scaling process between hierarchical and participative governance structures.

#### We Can Work it Out? Barriers to the Deinstitutionalization of Polluting Practices in U.S. Communities

Horacio Rousseau, *IESE Business School*

Pascual Berrone, *IESE Business School*

We examine the barriers that undermine the ability of environmental nonprofits to disrupt highly polluting practices. Using a dataset of 300 communities in the U.S., we find that a stronger presence of environmental nonprofits reduces community contamination. However,

elite prevalence, enforcement actions, and community financialization all moderate negatively this effect, suggesting that certain community factors hinder the institutional work of environmentalists. We also find conservative political ideology increases the tolerance for polluting practices, but it does not directly undermine the effect of environmental nonprofits. Finally, we find that demographic heterogeneity enhances the effectiveness of environmental nonprofits. Our findings therefore allow us to understand the conditions under which the efforts of organizations working for the disruption of undesired institutional arrangements are more likely to be effective.

#### Who Moved My Movement? Conflict in the Evolution of Movement-driven Markets

Jocelyn Leitzinger, *University of Michigan*

R. Scott Livengood, *Ohio State University*

Social movements have often been responsible for the emergence of new organizations, industries, and markets. Founders of these movements have identities formed on principles, goals, ideals, and values encapsulated by the movements they form. As the movements evolve and grow into markets, others who may not share these values enter to capture the profits of these emerging industries, causing fundamental conflicts between social movement and profit-driven identities. Using case studies from industries such as grass-fed meat and dairy, organic food, cannabis, wind energy, and craft beer, we develop theory regarding conflicts in identity to explain why and how movement-driven markets evolve. By doing so, we contribute to research on social movements and markets as well as industry emergence and evolution.

#### Influence or Bing Influenced? Social Movements and Strategic Action

Ei Shu, *Kyushu University*

This study explores how social movements influence firms’ strategic actions in the targeted industry. While prior research on social movements has identified the role of social activists in facilitating market opportunities, how targeted firms react to such opportunities for the sake of their survival and growth has rarely been studied. This paper attempts to fill this gap by looking at different players in a targeted industry. I identified three categories of strategic actions that a low power firm deployed to leverage institutional opportunities provided by social movements. The findings contribute to the research stream at the intersection of social movement and organization theory by providing a better understanding of how movement-driven opportunities can be linked to firms’ strategic actions in shaping and negotiating institutional environment.

## SESSION 59

### ECOSYSTEMS

<b>TRACK E</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Tegel

##### Chair

Kira Fabrizio, *Boston University*

#### Ecosystems: Contributions and Challenges to the Study of Competitive Dynamics

Bernadine Dykes, *Shenandoah University*

Gideon Markman, *Colorado State University*

An ecosystem is a network of organizations, including suppliers, distributors, customers, competitors, government agencies, etc., that are involved in the delivery of a product or service through competition and cooperation. In this conceptual paper, we examine how ecosystems compete and the general implications of ecosystems to the study of competitive dynamics. Our work is the first step towards a deeper understanding of ecosystems, their intricate yet robust structure, and how they shape competitive interactions between firms, industries and entire ecosystems.

## Exploring Competitions Between Business Ecosystems: Based On Different Zero Emission Vehicle Platforms

Benjamin Ting, *University of Cambridge*

Yongjiang Shi, *University of Cambridge*

Beyond collaboration within Business Ecosystems (BEs), we explore the concept of competition between BEs across their lifecycles using system and platform theories. Two case studies on key BEs within the Zero Emission Vehicle BE are empirically studied to identify, generalise and assess the effectiveness of BE-level competitive strategies made by BE leaders to achieve competitive advantage. Based on the findings, we propose a framework which can anticipate the level of BE competition based on a comparison of lifecycle stages. We also identify the role of platforms as a medium for BE leaders to structure and align BE capabilities, allowing a faster progression through the BE lifecycle. Platform emerges as one of the identified BE competitive strategies and advantages.

## Human Capital Voids, Upgrading Mechanisms and Firm Performance

Stephanie Wang, *Indiana University*

Alvaro Cuervo-Cazurra, *Northeastern University*

This paper analyzes how emerging market firms use upgrading mechanisms to overcome human capital voids and improve performance. Building on the strategic alignment literature, we argue that, for emerging market firms, imitation reduces the negative effect of human capital voids on firm performance improvement the most, followed by collaboration and finally by internal development, because they provide differing strategic alignment. We also argue that, for firms in emerging countries with more developed human capital markets, the differences among imitation, collaboration, and internal development in reducing the negative effect of human capital voids on firm performance improvement diminish because the strategic alignment becomes less important.

## Voluntary Disclosure and Information Intermediaries: Evidence from the Carbon Disclosure Project

Kira Fabrizio, *Boston University*

Eun-Hee Kim, *George Washington University*

Investors, customers, and other stakeholders rely on the information disclosure by firms to evaluate numerous dimensions of the firm's operations and potential for future profitability. As environmental performance has become increasingly important to customers and investors, intermediaries have developed to fill the void left by the lack of standardized or required reporting and help alleviate the information asymmetry between firms and stakeholders. The ability of these intermediaries to provide accurate and useful information depends on the strategic disclosure of information and reporting by firms. We examine one of the largest and most influential intermediaries, the Carbon Disclosure Project, to examine how the contents and the linguistic characteristics of the firms' survey response determines the CDP scoring, and whether the CDP scores predict subsequent environmental performance.

## SESSION 123

## SOURCING AND RESOURCE REDEPLOYMENT STRATEGIES

### TRACK F

Date Sunday, Sep 18

Time 16:15 – 17:30

### Paper

Room Lincke I/II

### Chair

Jorge Tarzijan, *Catholic University of Chile*

## Resource Redeployment and Complexity

Laurent Mirabeau, *University of Ottawa*

Timothy Folta, *University of Connecticut*

Researchers examining how multi-business firms benefit from having flexibility to withdraw resources from one business and redeploy them to another have built theory on the premise that single resources are under consideration for redeployment. This paper explores how multiple, interdependent resources influence the flexibility in redeployment. A model is developed that parameterizes three aspects of redeployment: the number resources in a business, the interaction between those resources, and the relatedness of the firms alternative businesses into which resources might be redeployed. The model will be used to ascertain how these variables influence the value of resource redeployment, thereby advancing our understanding of an emerging literature in corporate strategy.

## Knowledge Sourcing by Multidivisional Firms

Pranav Garg, *Indian Institute of Management Bangalore*

Minyuan Zhao, *University of Pennsylvania*

The literature on knowledge sourcing has mostly treated firms as unitary actors, even though the major players in the market for knowledge are multidivisional firms that must balance the competing demands of heterogeneous divisions. This study examines the effect of an important facet of within-firm heterogeneity—the distribution of capabilities across divisions—on knowledge sourcing strategies of multidivisional firms. Our model shows that firms with more inequality in early-stage capabilities across divisions source more early-stage knowledge, while firms with more inequality in late-stage capabilities across divisions source less late-stage knowledge. We find support for these predictions using data from the pharmaceutical industry. This study is a novel attempt to understand differences in knowledge sourcing across firms by examining the distribution of capabilities within firms.

## Value-Based Outsourcing

Jorge Tarzijan, *Catholic University of Chile*

Joaquin Poblete, *Catholic University of Chile*

We analyze the performance implications of selecting different “make or buy” choices in settings in which there are interdependencies among firm activities, coordination needs, and production costs asymmetries between internal and external suppliers. We show that for higher levels of complementarity between the firm's activities, make or buy choices follow a common pattern, whereas firms tend to choose different governance modes for activities that show higher levels of substitution. We also found that the coordination advantages of insourcing and possible cost advantages of outsourcing are more or less important depending on the interdependency of the firm's activities. For higher levels of complementarity, coordination costs between activities become critical and production cost advantages become less important, and the opposite happens in the case of substitute activities.



SESSION 292

**INTERNATIONALIZATION AND LEARNING**

<b>TRACK G</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Schinkel III

**Chair** Elena Golovko, *Tilburg University*

★ **Learning by Exporting Reconsidered – How Export Induced Investments in R&D and Marketing Pay off**

Wolfgang Sofka, *Copenhagen Business School*  
 Elena Golovko, *Tilburg University*  
 Cindy Lopes-Bento, *Maastricht University*

Decisions on entering foreign markets are among the most challenging but also potentially rewarding strategy choices managers can make. In this study, we examine the effect of export entry on the firm investment decisions in two activities associated with learning about new technologies and learning about new markets – R&D and marketing investments—in search of novel insights into learning-by-exporting process. We predict changes in investment patterns that accompany firm entry into exporting and link these changes to firm performance. Our results show that marketing investments are equally likely to be triggered by exporting as R&D investments. Although export entry is accompanied by increases in both R&D and marketing expenditures, it is predominantly marketing investments that lead to performance benefits associated with exporting.

**Internationalization, Industry Heterogeneity, and Performance**

Raquel García-García, *Open University*  
 Esteban García-Canal, *University of Oviedo*  
 Mauro Guillen, *University of Pennsylvania*

The primary contribution of this study to the internationalization-performance relationship literature is the distinction between non-regulated infrastructure firms (non-RIFs) and regulated infrastructure firms (RIFs). We propose that geographic diversification of non-RIFs into resource-poorer host countries compared to the home country displays an S-shaped relationship with firm profitability whereas it shows a U-shaped relationship when the host countries are resource-rich. We also suggest that, in the case of RIFs, the relationship between internationalization and profitability follows a U-shaped pattern regardless of the development of the strategic factor markets where they invest. We confirm our predictions by estimating Heckman's two-stage models (1979) on a panel-data sample from 1986 to 2010 which includes all Spanish firms listed in 1990.

**Environmental Dynamism, Global Offshoring, and Firm Capabilities**

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

The effect of environmental dynamism on the relationship between firm capabilities and competitive advantage remains unclear. In this study, we redress such an oversight and focus on an emerging trend of internationalization – global offshoring – to explore the impact of environmental dynamisms on the potential value of firm capabilities by adopting the perspective of dynamic capabilities. According to the analysis, we find that the interplay among a firm's capabilities, its offshoring strategies, and environmental dynamisms that the firm faces matters. That is, the effect of firm's capabilities on an offshoring firm's performance is positively moderated by the offshore environmental dynamisms and by the implementation of a corporate-wide offshoring strategy, showing why some firms perform better than others.

**The Journey to Become a Transnational: A Case Study of the 'Forgotten' Strategy**

Birgitte Grogaard, *University of Calgary*  
 Helene Loe Colman, *BI Norwegian Business School*  
 Inger Stensaker, *Norwegian School of Economics*

It is commonly recognized that today's multinational enterprises (MNEs) face multiple pressures that require differentiated approaches to how the organization is managed. However, we still have limited insights into how modern MNEs successfully balance multiple pressures of global integration and local responsiveness. In this study, we examine one MNE over more than ten years as it attempts to transition from a decentralized organization to a modern MNE that also incorporates elements of global integration. Through trial and error, we identify how the MNE develops flexibility and a focus on worldwide learning to enable desired levels of integration while still maintaining sufficient local responsiveness.

SESSION 189

**INNOVA**

<b>TRACK H, TRACK X</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Charlottenburg I

**Chair** Daniel Mack, *INSEAD*

**Professional Identification, Perspective Taking And The Internal Selection Process For Strategic Innovation**

Daniel Mack, *INSEAD*  
 Quy Huy, *INSEAD*

We contend that one of the factors that gives rise to the challenges of maintaining a sustainable internal selection environment is the different structural roles that top and middle managers enact in the innovation process. We propose that the extent to which the role differences could be reconciled and integrated is dependent on the organizational values embraced by the firm. We present a model of the interactions between top managers and middle managers in the innovation process, and theorize how a corporate culture that emphasizes both professional identification and perspective taking among employees can lead to behaviors supporting a viable internal selection environment that produces value-creating strategic innovations. Our model also explains why certain dysfunctional internal selection processes emerge, which can lead to innovation underperformance.

**The Turnarund Process Revisited: Retrenchment and Recovery in Service Firm Turnarounds**

Achim Schmitt, *Hospitality School of Lausanne*  
 Kathryn Harrigan, *Columbia University*  
 Steffen Raub, *Groupe HEC-Geneva*

Most prior literature has argued that corporate turnarounds' first objective is to focus on retrenchment with the goal of avoiding further deterioration of the firm's decline situation. Once firms have ensured their short-term survival, the turnaround activities shift their focus towards recovery. However, recent turnaround studies have questioned this sequential process of retrenchment and recovery and argued for a simultaneous approach. This study analyzes the turnaround behavior of 35 service firms during 2002 and 2003. Our results provide support for the notion that a combination of retrenchment and recovery activities contributes to greater turnaround performance. We respond to prior calls for more turnaround research in service firms and contribute to a more thorough understanding of how to manage the conflicting demands between retrenchment and recovery.

## Unfolding Airbus' Strategic Growth: A Successful Case

Ali Kazeminia, *ESADE Business School*

Africa Ariño, *IESE Business School*

Cristina Gimenez, *ESADE Business School*

Conducting a case study, we present the successful growth of the Airbus consortium over 20 years in the context of a dynamic technology-intensive industry. The study magnifies the underlying role of (1) the incremental and piecemeal accumulation of assets plus (2) commonalities on the Airbus sustainable growth over the period. The growth is achieved through three cycles of new product development over the 20 years of Airbus' life. In addition, our results show two primary periods of growth for Airbus: (1) consolidation, when Airbus was formed and became established as a consortium in parallel with its first aircraft, and (2) technological advance, when Airbus explored the technological capabilities of its partners and became a pioneer in the commercial aircraft industry in terms of technological advances.

## The Process within Entrepreneurial Bricolage: Multiple Resource Conversions for Service Innovation under Adversity

Rueylin Hsiao, *National Chengchi University*

Su-Hua Ou, *Soochow University*

Bricolage is a practice used to deal with resource constraints and turnaround unfavourable situations. The immediate need is to understand the micro-process of resource conversion. To explore this issue, our study examines the transformation of a resort in remote Hokkaido, Japan, and indicates that physical resources could be transformed by means of various cultural conversion approaches. Theoretically, this study suggests that strategists may recognize opportunities by making new senses of physical resources, and inscribe new symbolic meaning into these resources. From this conversion process, our study indicates how a 'useless' resource could be converted into something valuable. Practically, this research explains how resource diversity may facilitate service innovation under adversity.

### SESSION 257

## AMBIDEXTERITY

<b>TRACK I</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Tiergarten II
<b>Chair</b>	Paul Hughes, <i>Durham University</i>	

## A Configuration Analysis of Organizational Ambidexterity in Three Types of Firms

Mathew Hughes, *Durham University*

Hans Eibe Sørensen, *University of Southern Denmark*

Organizational ambidexterity is under scrutiny and we argue that to-date the idea of 'balancing' exploration and exploitation has been mistreated. Abandoning its traditional measurement, we use configuration theory in a study of three different types of Danish firms (growth entrepreneurs, regular entrepreneurs, and mature growth firms) to argue that optimal balance is not an equal distribution of exploration and exploitation, that optimum balance will differ across each type of firm, and that deviance from an optimal configuration harms firm performance. To the best of our knowledge, no study has examined the ambidexterity problem from a configuration perspective. Our work corrects for the disregard for context and corrects for the disregard for the organizing principles underpinning both activities among studies of organizational ambidexterity.

## Ambidexterity or Trade-off?: External Technology Acquisition and its Impact on Firm Innovative and Financial Performance

Alexandra Kalinina, *City University of Hong Kong*

William Wan, *City University of Hong Kong*

Acquiring external technologies can help firms efficiently respond to environmental dynamism. Based on the ambidexterity literature, firms should balance exploratory and exploitative activities in order to ensure long-term success. We hypothesize that balancing the number of acquired incremental and radical technologies will have a positive impact on a firm's long-term innovative and financial performance. Additionally, a domain separation mode to balance acquired technologies is less costly, and thus is more beneficial for firm performance than is a temporal separation mode. This research will shed light on the ambidexterity phenomenon in the context of external technology acquisition.

## Balancing Ambidexterity Modes Across Domains and Over Time: Dynamic Business Model Implementation

Roman Sauer, *University of St. Gallen*

Stephan Winterhalter, *University of St. Gallen*

Oliver Gassmann, *University of St. Gallen*

This case study analyzes how one of the world's biggest building material suppliers implemented a business model innovation in parallel to its traditional business in Indonesia. The new business model exceeds the profit level of the conventional business and has become a promising business field. We investigate the role of ambidextrous firm behavior on multiple levels and over time for the implementation of the business model innovation. First, the company has organized the business model innovation based on domain separation. Second, it has steered various modes of ambidexterity across multiple domains and over time. In doing so, the company featured a highly dynamic ambidextrous behavior. Based on the in-depth case study, we contribute to literature on business model innovation and ambidexterity.

## The Contingent Value of Organizational Ambidexterity: A Computational Analysis

Stefan Kassberger, *Frankfurt School of Finance and Management*

Kannan Srikanth, *Singapore Management University*

Nils Stieglitz, *Frankfurt School of Finance and Management*

The present literature portrays organizational ambidexterity as a solution to the strategic challenges in turbulent business environments. Ambidextrous organizations allow for both the exploitation of current advantages and the exploration of future opportunities. Existing research portrays different paths to achieving ambidexterity (structural, temporal, contextual), but offers little guidance under what dynamic business condition they perform best. In the present proposal, we develop an agent-based model to capture the salient differences among alternative ambidextrous organizations and to examine their performance consequences. The results clearly establish the value of ambidexterity in dynamic business environments. Contextual ambidexterity tends to perform less well than its alternatives. Finally, we find that structural ambidexterity offers advantages in coping with substantial disruptive change.



SESSION 242

## RENEWAL OR PERSISTENCE? SELLING STRATEGIES AND PRACTICES

<b>TRACK J</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	King
<b>Chair</b>	Patrick Regné, <i>Stockholm School of Economics</i>	

### ★ On the Discursive Legitimation of Strategic Persistence

Matthias Wenzel, *European University Viadrina Frankfurt*

Jochen Koch, *European University Viadrina Frankfurt*

While the literature on strategic persistence has provided powerful answers to the questions of how and why firms hold on to their strategic trajectory over time, it is largely based on the assumption that firms mindlessly reproduce the premises in which their strategic trajectory is embedded. In this paper, we challenge this assumption and explore how firms discursively legitimize strategic persistence over time. Drawing on the case of a large media company, we identify five discursive practices through which firms legitimize the existing and delegitimize alternative strategic trajectories. Furthermore, our results suggest that strategic persistence “becomes” legitimate through the joint and mindful enactment of these discursive practices. Our findings contribute to a richer understanding of strategic persistence and extend the previous literature on discursive legitimation.

### When Eastern Translation Work Meets Western Rules of Legitimacy

Manuel Hensmans, *ULB*

We know very little about how Chinese multinational enterprises (CMNEs) translate their home advantages into legitimate Western practices. I compare the translation of Huawei's and ZTE's cost innovation advantages in legitimate Western European practices (1993–2014) to investigate this question. I find that translation is facilitated by ambicultural processes of ex ante upgrading, struggling in the deep end, dual upgrading and letting go. Each process is an instance of performative translation – questioning, upgrading and integrating home success practices with international best practices. Performative translation is more effective than prescriptiveness at tackling the CMNE translation challenges of imitation, problematization and autonomization.

### Business Model Emergence And Evolution: A Sensemaking Approach.

Alexis Laszczuk, *Paris Dauphine University*

Lionel Garreau, *Paris Dauphine University*

Bernard de Montmorillon, *University of Paris-Dauphine*

This study explores business model change mechanisms by adopting a sensemaking perspective. Based on a longitudinal case study, we examine business model emergence and evolution process on a 22 month period. We show that specific interactions in the sensemaking process lead to various types of change in the business model or tactical choices. We identify three logics of business model sensemaking that can be enacted by actors for business model development and refinement. This research contributes to show and better understand the social aspect of business model thinking and offer new opportunities for generating efficient sensemaking for business model development.

### Strategizing your Audience: Value Creation for Category Spanners

Romain Boulongne, *HEC-Paris*

Rodolphe Durand, *HEC-Paris*

Audiences sanction a firm's strategy that deviates from expected prototype features. We argue that audiences' negative evaluation of ambiguous categories is moderated by both its evaluation process and

its goals. More precisely, when an audience focuses on an offering's independent attributes and pursue complex goals, the moderation is positive. We test and find support for our hypotheses using a real-world taxonomy of financial product categories, via six randomized lab and on-line experiments on a population of students and entrepreneurs. This study has important implications for diversification, market category, and strategic conformity literatures.

SESSION 87

## ENTREPRENEURIAL STRATEGY

<b>TRACK K</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Schinkel I/II
<b>Chair</b>	Jason Pattit, <i>University of St. Thomas</i>	

### In Search of Status: Exploring Niche Players' Strategies in Entrepreneurial Ecosystems

M.Mahdi Tavalaei, *IE Business School*

Carmelo Cennamo, *Bocconi University*

We examine two common strategies by which niche players compete in an entrepreneurial platform ecosystem. First, we study the impact of specializing on a given niche space of the complementary products' spectrum on niche player's performance relative to offering products for a broader range of niches. Second, we compare “single-homing” versus “multi-homing” strategies. We also analyze the interplay of these two sets of strategies. In the context of mobile applications ecosystem, our analysis reveals that that niche players face an ecosystem specialization tradeoff. They should either specialize in a given niche to obtain “status recognition” as key player in that niche and exploit it across multiple ecosystems, or seek status as a key ecosystem player by specializing to a given ecosystem across multiple product niches.

### Investigating the Governance Impact on Long-Term Strategic Planning Behavior in Start-ups

Stephan Weemaes, *KU Leuven*

Johan Bruneel, *KU Leuven*

Ann Gaeremynck, *KU Leuven*

Prior research has investigated the impact of business planning activities on firm performance and concluded that firms should invest time and effort in long-term strategic planning. To date, there is little research on the antecedents of long-term strategic planning, especially in the context of start-ups. Therefore, drawing upon governance literature, this study investigates how firm board composition and ownership structure influence the long-term strategic planning behavior in start-ups. Using a sample of 339 Belgian startups founded between 2003 and 2008, we find that both the presence of outside board members and ownership concentration reduce a start-up's long-term planning behavior. Furthermore, results show that the negative effects of outside board member presence on long-term planning behavior are mitigated in the presence of a majority shareholder.

### Portfolio Entrepreneurship as Experimentation

Simone Santamaria, *Bocconi University*

We are interested in studying why some entrepreneurs commit their resources to just one business at a time while others run more businesses at the same time (portfolio entrepreneurs). Using a sample of more than 15,000 Italian entrepreneurs we found that the main advantage of this latter strategy is based on experimentation. An entrepreneur can postpone the decision of selecting ex-ante the “best” opportunity, and test several initiatives in the market at the same time. Over time, he will be able to reallocate his resources ex-post according to the market signals. The entrepreneurs following this type of strategy tend to divest faster from underperforming firms. This selection mechanism explains why portfolio entrepreneur's firms have a shorter lifetime but, those who survive, are likely to overperform.

## What Happens When the Little Guy Hits a Homerun? A Study of Competitive Asymmetry

Jason Pattit, *University of St. Thomas*

David Deeds, *University of St. Thomas*

Despite increased interest in competitive dynamics in strategic management, little research has examined how incumbents respond to an entrepreneurial firm's successful new product introduction. Thus, this paper sets out to address and extend our understanding of competitive dynamics by examining in detail asymmetric competition. Specifically, we will investigate the response by incumbents in the console video game industry to new games launched by small, entrepreneurial developers that achieve either critical acclaim, sales success or both. To do so, we will develop case studies of thirty such games and examine the response histories of the major incumbent firms. We will draw on the Awareness-Motivation-Capability framework, which posits that its namesakes are the drivers of competitive behavior, as a starting point from which to launch our investigation.

### SESSION 117

## FIRM-SPECIFIC AND GENERAL HUMAN CAPITAL

<b>TRACK L</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Queen

**Chair** Prithwiraj Choudhury, *Harvard University*

## Questioning the Effect of Firm-Specific Human Capital on Staffing Decisions: An Experimental Approach

Federica De Stefano, *Bocconi University*

Arnaldo Camuffo, *Bocconi University*

Ekaterina Netchaeva, *Bocconi University*

The goal of this study is to investigate if, how and to what extent the need for firm-specific skills, at the job level, affects staffing decisions between internal and external candidates: does firm-specific human capital matter? We provide one of the first, at least to our knowledge, experimental study (involving MBA students and managers) on the effects of firm specific human capital on staffing decisions. We test the validity of the predictions of transaction cost and personnel economics on the conditions in which firms should rely on internal labor markets. We aim to shed clarity on the existing non-conclusive empirical findings on the relationships between firm-specific human capital and the selection of external over internal candidates.

## The General Human Capital-Firm Specific Human Capital Tradeoff

Prithwiraj Choudhury, *Harvard University*

Shinjinee Chattopadhyay, *Columbia University*

Research has established that hiring external employees can negatively affect organizational outcomes and performance due to difficulties in screening the qualifications of external and because external hires lack firm-specific human capital. However, firms do hire external employees and, with the rise of 'boundaryless' career orientations evidence suggests that this practice is becoming increasingly popular. In this paper we identify conditions under which firms might benefit from external hiring. We develop a model that characterizes the external hiring decision as a tradeoff between acquiring general and firm specific human capital and outline conditions under which it might make sense to hire externally. We suggest that hiring external candidates only makes sense when the gain in general human capital outweighs the loss of firm specific human capital.

## Firm-Specific Investments Under Heterogeneous Human Capital

Eni Gambeta, *Rice University*

Protecting a firm's employees from opportunistic behavior when engaged in firm-specific investment has been argued to be critical towards incentivizing them to engage in such activity. However, the question of who should, and should not, be provided with such protection has remained theoretically unexamined. We conceptualize firm-specific investment as a two-stage process involving general investments recombined in a firm-specific ways by two groups of employees focusing on each. Relying on learning-curve logic, we argue that the provision of such protective mechanisms to all employees may be detrimental to the generation of firm-specific assets due to decreased incentives for general investments among the first group of employees. Firm-specific investment is maximized when the firm protects recombinators of general skills, but not those investing in general skills.

## Effect of Shared Knowledge in Offshore-outsourced Software Development Projects

Joydeep Chatterjee, *University of Washington Bothell*

Kannan Srikanth, *Singapore Management University*

It is widely accepted that employees' firm-specific skills are related to a firm's competitive advantage since general skills are readily available to rival firms. Then why do firms invest in general human capital? We argue that general training creates shared-knowledge in the team that enables team members to coordinate their work efforts. We surmise that shared-knowledge is beneficial for team performance up to a limit after which excess shared-knowledge causes a decline in performance. We further suggest that the inverted-U relation between shared-knowledge and performance will be amplified when team size is low and attenuated when team size is high. Similarly we hypothesize that the inverted-U relation between shared-knowledge and performance will be amplified when onsite-ratio is high and attenuated when onsite-ratio is low.

### SESSION 158

## POLITICAL STRATEGY, POLITICAL ACTIVITY, AND POLITICAL TOOLS

<b>TRACK J, TRACK M</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Tiergarten I

**Chair** Brian Richter, *University of Texas at Austin*

## 'Good' and 'Evil': The Relationship between Corporate Social Responsibility and Corporate Political Activity

Brian Richter, *University of Texas at Austin*

To determine if corporate social responsibility (CSR) and corporate political activity are economic substitutes or economic complements, I assemble and analyze the largest dataset possible from existing data sources incorporating both types of non-market behavior. A simple economic framework guides the empirical analysis as it maps directly to a regression specification I estimate. I find that firms' CSR positions work as an economic complement to their political activity rather than as an economic substitute—jointly the two types of non-market behavior increase a firm's value, while independently each activity is more difficult to reconcile and perhaps may simply be symptomatic of some other inherently unobservable firm-fixed characteristic such as 'good management'. Illustrative cases round-out the large dataset analysis.



## Do Founder Firms Pursue Non-Economic Goals Over Financial Returns? Examining Founder Firms Corporate Political Activities

Sean Lux, *University of South Florida*  
T. Russell Crook, *University of Tennessee*  
James Combs, *University of Central Florida*

Scholars have often observed that family firms will place non-economic outcomes over financial returns, however founder firms are typically better governed than other family firms. We evaluate whether and how founder firms pursue non-economic outcomes by examining their political activities. We find that founder firms are less likely to engage in CPA and that they engage in more balanced (i.e. less ideological) when they do engage in CPA. This evidence is contrary to public and media perceptions of founder firms as being major players in U.S. conservative politics.

## Covert Corporate Political Activity and Shareholder Value

Timothy Werner, *University of Texas at Austin*

The U.S. Supreme Court case of *Citizens United vs. Federal Election Commission* and subsequent legal developments created a covert, undisclosed channel for firms to allocate resources directly from corporate treasuries to corporate political activity. Through the use of a financial market event study of an incident of accidental disclosure of firms' contributions to a non-profit organ of the Republican Party, we examine the financial market's reaction to covert investment in independent political expenditures. On average, we find a significant positive market reaction for the share price of contributing firms versus the share price of similar, matched firms and that, contrary to expectation, this positive reaction was comparable for firms operating in regulated and unregulated industries.

## Reactive CSR to Illegal Behaviors of the Owner Family

Myung Seon Song, *Rice University*  
Seungho Choi, *Ewha Womans University*

This paper examines the reactive CSR of firms after the unlawful conducts of the owner family. Unlike previous studies that viewed CSR activities as a strategic action for competitive advantages, this study argues that CSR activities can be used as a social and political tool to reduce the legal responsibilities for unlawful conducts of the owner family. The cases of Samsung Group and Hyundai Motor Group in South Korea were examined, as the two corporations gained intense public attention after unlawful behaviors of their owner family during the 2000s.

### SESSION 95

## RESOLVING DILEMMAS, CONFOUNDS AND CONTINGENCIES IN PARTNER CHOICE

TRACK N	Date	Sunday, Sep 18
	Time	16:15 – 17:30
Paper	Room	Kopenick III

Chair Henning Piezunka, *INSEAD*

## Big Fish Or Big Pond? Seller's Dilemma In Intermediary Selection

Henning Piezunka, *INSEAD*  
Riitta Katila, *Stanford University*  
Kathleen Eisenhardt, *Stanford University*

Sellers collaborate with intermediaries to reach buyers. Sellers prefer intermediaries that have great market access. But sellers also prefer a high relative standing in an intermediary's portfolio, so that they receive most of the intermediary's attention. These preferences often conflict. Thus, sellers need to choose either a high standing and few buyers (big fish, small pond) or a low standing and opportunity to reach many buyers (small fish, big pond). We examine how sellers resolve this dilemma

through a study of intermediary-selections of 377 videogame developers over a 10-year period. We find that the seller's choice tips towards many buyers when the seller has more experience, and towards a high relative standing when the competitive overlap with other sellers in the intermediary's portfolio is high.

## Collaboration in Innovation Ecosystems: Alliances and Investment Timing

David Clough, *INSEAD*

This paper addresses the issue of timing a technology investment in an innovation ecosystem, in which additional value is only created if complementor firms also invest in the new technology generation. Firms confront a strategic dilemma because they face a first-mover advantage vis-à-vis their direct competitors, but a second-mover advantage vis-à-vis their complementors. I suggest that alliances act as a coordinating mechanism, with an effect on investment timing that is contingent on the role of the alliance partner. Coordination with complementors enables an early-mover strategy, while coordination with competitors permits a delay strategy. I test these hypotheses in the context of adoption of 3G network technology in the global mobile telecoms industry.

## A Two-sided Matching Approach for Status-motivated Supply Relationships: Foal-sharing Contracts in the Thoroughbred Horse Industry

Darcy Fudge Kamal, *Chapman University*  
Florence Honore, *Iowa State University*  
Cristina Nistor, *Chapman University*

In the alliance literature, status and quality are known to influence the formation of partnership. However, the measures are often confounded and their effect on selection and alliance performance are often entangled. To explain the selection choice of contracting partners and to disentangle the selection from the partner's effect on outcome, we use an assortative one-to-many two-sided matching model with Bayesian estimation. We analyze this problem empirically using a longitudinal dataset of foal-sharing contracts between Thoroughbred sire owners and mare owners whereby stud farms take an equity interest in the offspring produced from the horse breeding agreement to sell at auction. Using this specific context allows capture status (centrality) and exogenous measure of quality based on prior race performance independent of auction outcomes.

## Institutional Investments and Collaboration Dynamics in New Technological Fields: The Emergence of Smart Grids

Maria Gradillas, *Imperial College London*

The factors that influence the emergence of a new technological field are relatively well researched, however, the interactions between them require further understanding. This study focuses on the mechanisms that link institutional and technological factors in the early stages of a new field. I propose that participation of innovating firms in institutional activities impacts the patterns of collaboration by facilitating access to the innovation network and the advancement of their technological innovations. This is contingent on firms' technological capabilities and ability to align their technologies with the direction of the industry. This study draws from the qualitative findings of 37 stakeholder interviews in the UK smart grid industry and the quantitative analysis of approximately 450 smart grid collaborative innovation projects in the UK.

## SESSION 203

**GENDER AND DIVERSITY**

<b>TRACK O</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Charlottenburg III
<b>Chair</b>	Christine Shropshire, <i>Arizona State University</i>	

**Beyond the Insider-Outsider Box: Investigating the Role of Gender as a Signal Following Organizational Misconduct**Kevin McSweeney, *Texas A&M University*Jordan McSweeney, *Auburn University*Cynthia E Devers, *Texas A&M University*

Organizational misconduct poses serious threats to organizational legitimacy. Often, this leads to structural changes in the upper echelons. However, making a replacement may not send a signal of high enough quality depending on the type of misconduct committed. We build upon previous work and examine competence versus integrity misconduct in the context of financial restatements. To restore legitimacy, organizations must send a signal, which can regain stakeholder's confidence in the ethicality of the organization. We argue that females, due to symbolic characteristics, can send high quality signals of propriety and, hence, are more likely to be appointed to the audit committee, board of directors or CEO position following organizational misconduct with the relation magnified based on the type of misconduct.

**Global Institutional Drivers of Female Representation on Corporate Boards**Sucheta Nadkarni, *University of Cambridge*Yen Nee Oon, *University of Cambridge*Jenny Chu, *University of Cambridge*

We adopt the institutional economics perspective to explain the global drivers of female representation on corporate boards. Based on a sample of 1071 largest global firms from 42 countries between 2004 and 2013, we found two major results. First, legislative gender board quotas (formal institutions) and gender diversity requirement in corporate governance codes (informal institutions) in the home country related positively to female board percentage. Second, the two institutional drivers interacted positively and reinforced each other in enhancing female board percentage. Our study highlights the role of institutional drivers in shaping female board representation globally. The interaction of quotas and corporate governance codes is insightful in addressing the controversy surrounding legislative gender board quotas and has important policy implications.

**Spoken Like a Woman: How Gender Influences CEO Communication**Felice Klein, *Michigan State University*Lingling Pan, *Michigan State University*Gerry McNamara, *Michigan State University*

Given their central roles in organizations, investors and analysts are likely to assess the leadership qualities of CEOs in public interactions. In such settings, female CEOs face a challenge since individuals typically view leadership roles as masculine and expect leaders to exhibit agentic characteristics. At the same time, due to gender stereotypes, individuals typically expect females to display communal qualities. Analyzing quarterly earnings' call transcripts, we develop and test arguments about how female CEOs manage this tension and balance the need to be seen as both agentic and communal. We also develop arguments about how investors respond to the agentic and communal attributes of CEO communication. Our findings largely support our hypothesized model.

**What Drives Board Gender Diversity Decisions? Comparing the Influence of Institutional and Agency Predictors**William Judge, *Old Dominion University*Orhun Guldiken, *Manhattan College*Stav Fainshmidt, *Florida International University*Mark Mallon, *Old Dominion University*

It is now fairly well established that gender diversity in the boardroom has a positive influence on a number of important organizational outcomes. However, much less is known about the primary influences that lead to gender diversification. Some argue that external institutional forces dominate. Others argue that internal agency factors prevail. This study examines both institutional and agency explanations to understand the antecedents of board gender diversity. Using panel data on 665 firms based in the USA and examining first adoption versus critical mass decisions, we find both institutional and agency predictors help to explain these two board composition decisions. These findings contain important theoretical implications for the field of corporate governance research, as well as important policy implications for diversifying board composition.

## SESSION 224

**BEHAVIORAL FOUNDATIONS OF CAPABILITIES**

<b>TRACK P</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Paper</b>	<b>Room</b>	Charlottenburg II
<b>Chair</b>	Hazhir Rahmandad, <i>MIT</i>	

**Dynamic Organizational Capabilities: Communities of Practice as a Self-organized Source of Flexible Adaptation**Florian Andresen, *Helmut Schmidt University*

Strictly formalized and hierarchical organizations are facing enormous challenges to flexibly adapt to ever altering environmental and societal conditions, rapidly changing technologies and new business models. Traditionally, these strategic adaptations are deeply rooted within the literature streams on organizational competencies or dynamic capabilities (Teece, Pisano, & Shuen, 1997). While most scholars are addressing managerial routines, we are addressing organizational routines. We are arguing that besides the focus on managerial decisions there are forces within every organization that are also concerned with environmental societal changes. These forces are represented by self-organizing social entities pervading every organization, serving as a radar system and creating a reservoir of organizational capabilities. Additionally, we argue that these entities could be seen as the manifestation of dynamic organizational capabilities.

**Managerial Cognitive Capabilities, Mental Representations of Routines and Market Entry**Daniel Engler, *Illinois State University*Ji-hyun Kim, *Yonsei University*Hisan Yang, *Yonsei University*

While it is generally believed that managers redirect the development of firm resources and capabilities toward more or less profitable opportunities based on perceptions of the market, differences in managerial cognitive capabilities underlie heterogeneity in firm performance. Borrowing from cognitive psychology we use a type of reinforcement learning model known as credit assignment to model how managers build mental representations of the routines needed to reach a goal in a multi-stage problem. We use this model to study how managers are best able to apply their mental representation of the value of firm resources and capabilities in a source market to developing a model of the value of firm resources and capabilities in a target market.



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## **Endogenous Capability Building and Start-up Advantage in Creating New Markets**

Hazhir Rahmandad, *MIT*

Mahdi Hashemian, *MIT*

Startups play a major role in establishing many new markets. This is theoretically puzzling because existing firms have more resources and relevant core and peripheral capabilities that should advantage them in diversifying into new markets. Here, we explore one mechanism that differentiates startups from existing firms due to the stronger link between startups' past performance and resources available for future capability building. Using a simulation model, we show that this reinforcing loop leads entrepreneurial financial markets to quickly focus on more promising startups and enable those firms to take over otherwise well-endowed diversifying entrants. Further analysis will explore how different business environments can affect the proposed dynamics.

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## **New Practice Adoption: Predicting the Gap between Routine as Designed and Routine as Realized**

Alex Wilson, *Duke University*

What drives the adoption of new routines? To answer this question, I consider how beliefs about the new routine's impact shape the extent to which change is perceived as aligned with professional norms, and subsequently, degree of adoption. My analysis employs a sample consisting of a survey to 1,248 healthcare professionals about their beliefs regarding the expected impact of a new EHR system and 32,460 patient encounters, medical activities undertaken by a care unit. I find support for a moderated relationship between belief that the EHR system will improve patient care, professional experience, and leadership involvement. This study provides insight into how beliefs shape the realization of routines and the impacts of these beliefs on the firm's ability to engage in change.

## SESSION 315

**IACMENA PANEL**

<b>TRACK 5</b>	<b>Date</b>	Sunday, Sep 18
	<b>Time</b>	16:15 – 17:30
<b>Special Panel</b>	<b>Room</b>	Bishop

**IACMENA Panel****Leaders**Ithai Stern, *INSEAD***Panelists**Michael A. Hitt, *Texas A&M University and TCU*Dovev Lavie, *Technion-Israel Institute of Technology*Joanne Oxley, *University of Toronto*Brian Silverman, *University of Toronto*Shaker Zahra, *University of Minnesota*

These expert panelists will join us to discuss the Initiative for Academic Collaboration in the Middle East and North Africa (IACMENA). They will be joined by authors who attended the first workshop under this initiative in 2015. The focus of the discussion will be the initiative, their experiences at the workshop, and the goals of doing research specifically in this region.



## INTEREST GROUP AND COMMUNITY BUSINESS MEETINGS

DATE SUNDAY SEPTEMBER 18 TIME 17:45

### COMPETITIVE STRATEGY

TRACK E Tegel

**Chairperson:**  
Samina Karim, *Northeastern University*  
**Program Chair:**  
Kira Fabrizio, *Boston University*  
**Assoc Program Chair:**  
Vikas Aggarwal, *INSEAD*

### CORPORATE STRATEGY –

TRACK F Charlottenburg I

**Chairperson:**  
Douglas Miller, *Rutgers University*  
**Program Chair:**  
Jerayr Halebian, *University of California, Riverside*  
**Assoc Program Chair:**  
Caterina Moschieri, *IE Business School*

### GLOBAL STRATEGY

TRACK G Offsite

**Chairperson:**  
Ronaldo Parente, *Florida International University*  
**Program Chair:**  
Alex Eapen, *Australian National University*  
**Assoc Program Chair:**  
Randi Lunnan, *BI Norwegian Business School*

### STRATEGY PROCESS

TRACK H Tiergarten III

**Chairperson:**  
Adelaide King, *University of Virginia*  
**Program Chair:**  
J Ignacio Canales, *University of Glasgow*  
**Assoc Program Chair:**  
Dries Faems, *University of Groningen*

### KNOWLEDGE AND INNOVATION

TRACK I Tiergarten II

**Chairperson:**  
Anu Wadhwa, *Imperial College London*  
**Program Chair:**  
Charles Williams, *Bocconi University*  
**Assoc Program Chair:**  
Lourdes Sosa, *LSE*

### STRATEGY PRACTICE

TRACK J King

**Chairperson:**  
Martin Friesl, *Lancaster University*  
**Program Chair:**  
Stephanie Dameron, *Paris Dauphine University*  
**Assoc Program Chair:**  
George Tovstiga, *EDHEC Business School*

### ENTREPRENEURSHIP AND STRATEGY

TRACK K Bellevue

**Chairperson:**  
Igor Filatotchev, *City University London*  
**Program Chair:**  
Martin Ganco, *University of Wisconsin-Madison*  
**Assoc Program Chair:**  
Justin Webb, *University of North Carolina at Charlotte*

### STRATEGIC HUMAN CAPITAL

TRACK L Queen

**Chairperson:**  
Deepak Somaya, *University of Illinois at Urbana-Champaign*  
**Program Chair:**  
Shad Morris, *Brigham Young University*  
**Assoc Program Chair:**  
Thomas Moliterno, *University of Massachusetts, Amherst*

### STAKEHOLDER STRATEGY

TRACK M Tiergarten I

**Chairperson:**  
Doug Bosse, *University of Richmond*  
**Program Chair:**  
Donald Lange, *Arizona State University*  
**Assoc Program Chair:**  
Flore Bridoux, *University of Amsterdam*

### COOPERATIVE STRATEGIES

TRACK N Kopenick I/II

**Chairperson:**  
Laura Poppo, *University of Kansas*  
**Program Chair:**  
Ha Hoang, *ESSEC Business School*  
**Assoc Program Chair:**  
Janet Bercovitz, *University of Illinois at Urbana-Champaign*

### STRATEGIC LEADERSHIP AND GOVERNANCE

TRACK O Charlottenburg III

**Chairperson:**  
Vincent Barker, *University of Kansas*  
**Program Chair:**  
Craig Crossland, *University of Notre Dame*  
**Assoc Program Chair:**  
Cynthia Devers, *Texas A&M University*

### BEHAVIORAL STRATEGY

TRACK P Charlottenburg II

**Chairperson:**  
Rhonda Reger, *University of Tennessee*  
**Program Chair:**  
Maurizio Zollo, *Bocconi University*  
**Assoc Program Chair:**  
Violina Rindova, *University of Texas at Austin*

### RESEARCH METHODS COMMUNITY

TRACK R Bishop

**Chairperson:**  
Donald Bergh, *University of Denver*  
**Program Chair:**  
Brian Boyd, *City University of Hong Kong*  
**Assoc Program Chair:**  
Karen Schnatterly, *University of Missouri*

### TEACHING COMMUNITY

TRACK T Kopenick III

**Chairperson:**  
David King, *Iowa State University*  
**Program Chair:**  
Vijaya Narapareddy, *University of Denver*  
**Assoc Program Chair:**  
Paulo Prochno, *University of Maryland*

### SMS BUSINESS MEETING

**Date** Sunday, September 18  
**Time** 18:45 – 19:30  
**Room** Potsdam I

#### Business Meeting

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

## SESSION 190

**THE STATE OF THE STRATEGIC MANAGEMENT FIELD: CHALLENGES, PROBLEMS, AND PROPOSED SOLUTION**

<b>TRACK A</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Parallel Panel</b>	<b>Room</b>	Bellevue

**The State of the Strategic Management Field: Challenges, Problems, and Proposed Solution****Chair**

Tammy Madsen, *Santa Clara University*

**Panelists**

Rodolphe Durand, *HEC-Paris*

Robert Grant, *Bocconi University*

Constance Helfat, *Dartmouth College*

Will Mitchell, *University of Toronto*

Since the founding of the Strategic Management Journal in 1980, the growth of strategic management as a community of scholars and as an area of research has been remarkable. The widening domain of strategic management research is a tribute to the field's dynamism however, this breadth has come at a cost. Strategic management often is criticized for its fragmentation, its preference for novelty over incremental advancement, its lack of rigor in theory building, its unwillingness to document and report on empirical facts, its inability to subject its many theories to empirical testing, and its imperialistic tendencies. The panel will expand on the field's current challenges and propose solutions as a step in guiding future research.

## SESSION 284

**VALUE CREATION AND VALUE APPROPRIATION IN THE CONTEXT OF PUBLIC AND NON-PROFIT ORGANIZATIONS**

<b>TRACK B</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Parallel Panel</b>	<b>Room</b>	Potsdam III

**Value Creation and Value Appropriation in the Context of Public and Non-Profit Organizations****Chair**

Sandro Cabral, *Inspire Institute of Education and Research*

**Panelists**

Ilze Kivleniece, *INSEAD*

Juan Ma, *Harvard Business School*

Felipe Monteiro, *INSEAD*

This panel aims to promote a special issue for the Strategic Management Journal (SMJ) on value creation aspects in the context of public and nonprofit organizations, led by Sandro Cabral, Joe Mahoney, Anita McGahan, and Matthew Potoski. The special issue proposal was approved in January 2016 by SMJ editors and the call for papers will be coming soon in the SMJ website. This panel also intends to add to the current knowledge of strategic management of public and non-profit organizations by putting together researchers interested in enhancing the understanding of value creation and appropriation when public, non-profit, and private organizations work together or in isolation. The panel is also aligned with the conference main theme.

## SESSION 166

**CORPORATE SOCIAL PERFORMANCE**

<b>TRACK C</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Tiergarten II
<b>Chair</b>	Zhiang Lin, <i>University of Texas at Dallas</i>	

**Core Issues in a Systemic Assessment of Corporate Social Performance**

Michael Kuehnen, *University of Hohenheim*

Ruediger Hahn, *University of Hohenheim*

Sustainable organizational performance is of increasing importance in research and practice. In contrast to established approaches for measuring economic and ecological performance, so-cial performance measurement suffers from problems in terms of validity, reliability, and gener-alizability because it has lacked a sound theoretical foundation. We argue that open systems theory provides a valuable perspective, because it goes beyond a firm-centric analysis and thus looks at the “big picture” of social performance. To contribute to such a holistic understanding, we engage in a multi-method research approach. We conduct a systematic review of research and practice to develop a conceptual framework for a holistic evaluation. Then, we continue with a Delphi study to validate our framework and identify the most important issues for a sys-temic assessment.

**Firm Profiles in Corporate Social Performance: Toward a Theory of Their Existence and Instrumentality**

Limin Fu, *University of Adelaide*

Marc Orlitzky, *University of South Australia*

Dirk Boeche, *University of Adelaide*

Diane Swanson, *Kansas State University*

This paper addresses the unresolved question of why firms exhibit consistency or inconsistency in their environmental, social, and governance practices. We introduce the concept of corporate social inconsistency (CSI) to describe organizations' varying and uneven treatment of stakeholders and, by extension and as new dpe4ndent variable, different patterns of stakeholder value creation. We argue that any given profile in corporate social performance—either consistent or inconsistent—results from the balance of stakeholder pressures moderated by a firm's resource endowment. We expand this argument to a novel conceptual framework that explains not only the existence of CSI, but also its broader strategic implications.

**MNCs Operational Triple Bottom Line Sustainability: Institutional Pressures as Drivers of Sustainability Performance**

Rilana Riikkinen, *Aalto University*

Asta Salmi, *Lappeenranta University of Technology*

This study examines the relationship between institutional pressures, including mimetic, coercive, and normative pressures, and triple bottom line sustainability, comprising of environmental, social, and economic components, of MNCs purchasing function. In order to examine the relationships unique to MNCs, we contrast the findings to those generated by the case of Non-MNCs in a partial least square structural equation model using data from an international survey study. We find some communalities, but also differences in the results between the MNCs as opposed to Non-MNCs. For MNCs we find that normative pressures positively impact both environmental and social sustainability practices, while mimetic pressures impact both environmental and social sustainability performance negatively. Moreover, coercive pressures do not have an impact.



## How Does Strategic Risk Taking Drive Corporate Social Performance?

Huy Nguyen, *University of Texas at Dallas*

Zhiang Lin, *University of Texas at Dallas*

Mike Peng, *University of Texas at Dallas*

While the risk–economic performance link has been an important topic in strategy research, what is less known is the influence of strategic risk on corporate social performance (CSP). How does strategic risk taking drive CSP? We extend and integrate resource dependence and institution-based perspectives to examine this relationship in two contrasting institutional contexts, the United States and China. We contend that the risk–CSP relationship may depend on the dominant stakeholders' perspective of firm engagement in social activities. We further argue that this relationship may be subject to other dependencies including financial resource dependencies, ownership dependencies, and relational resource dependencies.

### SESSION 132

## BUILDING HEALTHY ECOSYSTEMS FOR PLATFORM COMPLEMENTORS

<b>TRACK D</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Tiergarten I

**Chair** Richard Tee, *LUIS Guido Carli*

## Complementor Strategies in Smartphone Application Markets: A Configurational Perspective

Dmitry Sharapov, *Imperial College London*

A large and increasing share of global economic activity takes place in organizational ecosystems based around platforms through which distinct groups conduct transactions. Smartphone application markets are an increasingly important example, offering software developers a large installed base of users as potential customers and low barriers to entry. However, these low barriers to entry result in intense competition for user attention, while even developers whose apps succeed initially may struggle to maintain their performance in the absence of effective mechanisms for intellectual property protection. In ecosystem settings such as this, how do complementors seek to achieve competitive advantage, and which strategies are effective? To answer these questions, I analyze rich qualitative and quantitative data on 45 cases of apps created for the Windows Phone store.

## How do Ecosystem Dynamics work in Serious Gaming Ecosystems? Challenges and Opportunities

Bilgehan Uzunca, *Utrecht University*

Slinger Jansen, *Utrecht University*

Ecosystem emergence is a period in which important path dependent conditions such as the ecosystem's architecture, operations, and governance arrangements are established and promulgated among ecosystem participants. These initial conditions during the emergence of an ecosystem create challenges and lead to future inefficiencies that are hard to overcome by its existing and prospective members as the ecosystem gains momentum. This proposal takes a step toward modeling and understanding the emerging ecosystem of serious games, video games that aim to inform, educate, or train end-users rather than entertain them. The outcome of this exercise reveals challenges and inefficiencies such as scalability problem in serious games and large discrepancies between customers' and game developers' perceptions of what it takes to develop a topnotch serious game.

## Reverse Adaptation: Inferences from Internet Platform Ecosystems in China

Mohan Subramaniam, *Boston College*

Jing Zeng, *University of Gloucestershire*

We offer an in-depth account of how Chinese Internet-platform companies created vibrant ecosystems in China. In the process we also highlight the reasons why global companies struggled to compete with them. A key insight is that firms need to reverse their process of adaptation to build ecosystems in international markets. To find fresh ways of extracting inputs from their foreign complementors, they need to adapt how they draw new sources of advantage from foreign markets. This is different from conventional adaptation initiatives that entail adapting how to forge forward prevailing advantages into foreign markets. We describe reverse adaptation and offer suggestions to build capabilities at executing it.

## Network Risk: Assessing the Threat of Envelopment

Stephen Downing, *National Chiao Tung University*

Jin-Su Kang, *National Chiao Tung University*

Chiunglu Hsu, *National Chiao Tung University*

We propose a network risk perspective for use in ex ante strategy formulation and risk assessment. Addressing the need for risk metrics native to the management field, this study offers a model of network exposure and threat identification based upon the concept of a competition network, direct and indirect competitive ties that span industry boundaries. This approach is suited to investigate the drivers of competitive tie formation and dissolution over time. Empirical estimation of risk factors, as well as overall envelopment risk, is then possible by applying a dynamic variation on the exponential random graph model (ERGM). We briefly illustrate the applicability of the network risk approach with data including 17,176 companies with 27,376 competitive ties in the CrunchBase competition network's largest connected component.

### SESSION 122

## NEW DIRECTIONS IN ACQUISITIONS RESEARCH II

<b>TRACK F</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Lincke I/II

**Chair** Seung-Hyun Lee, *University of Texas at Dallas*

## The Influence of Abnormal Returns on Acquisition Completion: The Moderating Effect of CEO Equity Pay

Mirko Benischke, *Erasmus University-Rotterdam*

We challenge the paradigm that CEOs are always interested in completing previously announced acquisitions. We do so by applying the behavioral agency model's concept of risk bearing and inter-temporal preferences based on the theory of myopic loss aversion in a novel empirical context: the CEO's decision to complete or abandon an acquisition following the acquisition announcement. We refine knowledge with regard to the role of managerial self-interest during the pre-acquisition phase by demonstrating that the interplay between CEO equity wealth and stock market reactions following the deal announcement influence deal completion. We tested our theory using a sample of 7,432 acquisitions announced by 1,958 firms from years 1993 to 2013, and find strong empirical support for our hypotheses.

## ✦ Lead, Follow, or Abstain: The Performance Consequences of Decision Timing under High Uncertainty

Luis Ballesteros, *University of Pennsylvania*

This paper contributes to the first-mover advantage and timing strategy literatures by showing the conditions and mechanisms under which the timing of a decision made under high uncertainty and severe time pressure derives in competitive advantages. Analyzing donations of 2,000 corporations from 65 countries to earthquakes that affected 57 countries from 2003 to 2013, I show that leading can result in first-mover advantages when the firm possesses market experience and issue knowledge. The first move generates a mental anchor that competitors imitate because they interpret it as capturing stakeholder expectations. Stakeholders reward the first-mover for being a catalyst of market activity, increasing the magnitude and duration of first-mover rents. Additionally, when the focal firm and first movers lack knowledge resources, abstaining may be economically efficient.

## Post-acquisition R&D Investments: Evidence from Acquirers and Targets in Cross-border Transactions

Victor Zitien Chen, *University of North Carolina at Charlotte*

Jing Li, *Simon Fraser University*

Daniel Shapiro, *Simon Fraser University*

There is considerable controversy over the impact of acquisitions on the innovative activities of firms, and in particular on their post-acquisition R&D spending. Our study aims to advance this line of research in two ways. First, while prior studies have typically focused on either the acquirer or the target, we examine post-acquisition R&D investments of both acquirers and targets. Studying both allows for asymmetrical impacts of an acquisition. Second, previous studies do not explicitly test alternative theories of post-acquisition R&D investment; in this paper we clearly distinguish between factors that reduce R&D and those that increase it, and name them the managerial diversion effect and the knowledge transfer effect. Empirically, using a comprehensive cross-border acquisition dataset, we find support for our main arguments.

## Competing To Be Acquired

Pawinee Changphao, *University of Texas at Dallas*

Seung-Hyun Lee, *University of Texas at Dallas*

This study employs signaling theory to examine how the market utilizes signals when assessing unobservable firms' qualities. We investigate the impact of acquisitions between pharmaceutical firms and new biotechnology firms (NBFs) on the market value of acquired NBFs' rivals currently allied with a pharmaceutical firm (allied competing NBFs). We argue that acquisitions send a positive signal of an increase in the prospects of allied competing NBFs becoming acquisition targets, creating their positive abnormal returns. These returns are: (1) strengthened if the acquired NBF is an alliance partner with a pharmaceutical firm and if the acquirer has greater acquisition experience, and (2) mitigated if there is increased competition among allied competing NBFs. These abnormal returns have a U-shaped relationship with the alliance longevity.

## SESSION 178

## NEW PERSPECTIVES ON INTERNATIONALIZATION, FAMILY FIRMS, AND INNOVATION

### TRACK G

Date Monday, Sep 19

Time 08:00 – 09:15

### Paper

Room Kopenick I/II

### Chair

Niccolo Pisani, *University of Amsterdam*

## Exploring the Multiple Dimensions of International Strategy in Family versus Nonfamily Firms

Todd Alessandri, *Northeastern University*

Daniele Cerrato, *Catholic University of the Sacred Heart*

Kimberly Eddleston, *Northeastern University*

The unique preferences of family firms may lead to internationalization strategies that differ from those of nonfamily firms. We compare the extent, breadth, and home region orientation of internationalization of family firms relative to nonfamily firms. Relying on the behavioral agency model, we argue that family firms will have a lower extent and narrower breadth of internationalization, with a greater home region orientation. In addition, we explore the moderating effects of organizational slack, which may provide a stronger cushion for family firms. We find that family firms exhibit lower extent and lower breadth of internationalization, yet a lower home region orientation than nonfamily firms. Furthermore, slack does have strong moderating effects on all three of these dimensions, although in some cases, contrary to our arguments.

## Internationalization from a Process Perspective: The Case of Large Italian Family Firms

Liena Kano, *University of Calgary*

Luciano Ciravegna, *INCAE Business School*

The proposed study explores micro-level details of managerial decision-making in family firms undertaking international expansion. We investigate family firms' internationalization processes with the focus on idiosyncratic features of family governance, and the way these features affect critical internationalization decisions such as timing of international expansion, location choice, entry and operating modes and value chain scope. Adopting internalization theory as our theoretical starting point, we perform an inductive qualitative case study of four large Italian family-owned multinationals, and reconstruct events retrospectively to trace the four firms' paths from domestic to multinational, with the focus on the role of family governance in the internationalization process.

## Offshoring Innovation and Knowledge-Exploiting versus -Augmenting Motives: Investigating the Role of Talent Shortage at Home

Niccolo Pisani, *University of Amsterdam*

Joan E Ricart, *IESE Business School*

In this paper, we investigate the motives that drive companies to relocate their innovation activities abroad by analyzing survey data from 858 offshored implementations. Extant research documents that offshoring innovation is triggered by companies' desire to either exploit or augment their firm-specific advantages possessed at home. Even though both motivations matter, we suggest that the home-base knowledge exploiting rationale remains the strongest driver of offshoring innovation. We also elaborate hypotheses on the moderating effect of an important contingency—the shortage of talent at home. Our results show that managers' perception of a talent shortage in the home country increases the likelihood of offshoring innovation. Additionally, our findings indicate that this positive effect becomes smaller when companies are primarily driven by a home-base knowledge augmenting motive.



## Foreign Direct Investment by Public and Family Firms: Legitimacy-seeking Behaviors and their Performance Implications

Sebastian Fourné, *WHU—Otto Beisheim School of Management*  
Miriam Zschoche, *WHU—Otto Beisheim School of Management*

We explore how peer activity influences foreign direct investment decisions and why mimetic behaviors vary depending on different stakeholder groups. First, longitudinal data from an exhaustive sample of German firms reveal that not all firms imitate the international resource allocation patterns of the largest and most visible industry peer. Rather, firms mimic the behavior of the largest firm with the same governance characteristics. This holds true for all but private family firms. Second, we investigate how deviating from the behavior of the most legitimate peer influences performance in foreign markets. While the performance of international operations of publicly listed firms declines when they deviate from the internationalization patterns of the industry leader, it does not decline where those firms are family-owned.

### SESSION 187

## WHO IS THE BOSS?

<b>TRACK H</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Tiergarten III

**Facilitator** Magdalena Dobrąjska, *Copenhagen Business School*

## A Temporal Investigation of Task Complexity and Task Conflict on Team Performance

Erim Ergene, *University of Massachusetts Amherst*  
Steven Floyd, *University of Massachusetts Amherst*

Team conflict typologies have garnered a lot of research interest but showed conflicting findings with respect to task conflict-performance relationships. Building on the findings from recent meta-analyses, we argue that task complexity and the timing of task conflict are important factors in determining overall performance. Using a sample of undergraduate student teams, we find that under high complexity, task conflict may benefit team performance. However, this positive impact only occurs when task conflict is experienced during the early stages of team interactions. Our research suggests that task conflict experienced later does not improve performance and possibly has negative impacts.

## Antecedents and Outcomes of Peer Control: A Multi-level Analysis

Markus Kreutzer, *EBS University of Business and Law*  
Karin Kreutzer, *EBS University of Business and Law*  
Jorge Walter, *George Washington University*

In this study, we develop a multilevel theoretical framework linking antecedents and outcomes of peer control, defined as coworkers at the same hierarchical level noticing and responding to their peers' behavior or performance results. In particular, we examine hierarchical controls as antecedents of direct (i.e., monitoring and responding directly to peers) and indirect peer control (i.e., gossiping about and avoiding underperforming peers), as well as peer control's effects on individual-level and team-level outcomes. Analyzing multi-level data from 340 members in 70 regional teams in a non-profit organization (NPO), we find support for hierarchical control acting as an antecedent of peer control, and for peer control's effects on job satisfaction. However, we also find counterintuitive effects of direct and indirect peer control on team performance.

## Top Management Team Advice Taking: An Exploration of Post-Investment Emergent Strategy Formation in New Ventures

Alexander Alexiev, *VU University Amsterdam*

Top management team advice taking has received little attention in the strategy formation literature. With this exploratory study we aim at bridging behavioral decision making theory with strategy process research. In particular, we contrast the findings of the judge-advisor system (JAS) research stream with an empirical investigation of emergent strategies in entrepreneurial context. Using a multiple case-study of new venture interactions with their investors, we highlight the process of taking advice and the factors that can influence entrepreneurial teams' utilization of that advice. The results can support a more contextualized understanding of the patterns of strategy formation at the early stages of an organization's life-cycle.

## Cunning or Just Confused? Market Reactions to Sweeping Visions of Strategic Priorities

John Eklund, *University of Pennsylvania*  
Michael Mannor, *University of Notre Dame*

With an increasing focus on transparency in corporate governance, in recent years firm stakeholders have had a growing number of opportunities to hear CEOs describe their vision and priorities for their firms. However, executives vary widely in the degree to which such articulated visions express focused strategic priorities or sweeping visions with many priorities for creating value. In this research we examine this issue in two ways. We begin by applying a cognitive attention-based lens to the question to examine the overall effect of articulated strategic scope on stock market reactions. Recognizing that a situated view may provide additional insight, we then assess the degree to which the reactions of stock market participants vary depending on a firm's historical and behavioral context.

## How is a Dominant Logic Established? Multiple Logics and the Dominant Logic

Juhee Kim, *Korea University*  
Dae-il Nam, *Korea University*

Although there has been a lot of research on the institutional logic, little is known about how the multiple logics form a relationship and how a dominant logic is established over time. Thus, we provide a model of adoption of practices linked by institutional logic. Our key insight is that multiple logics in industry with conflict, and actors determine an appropriate logic-defining practices. Accordingly, this paper contributes to understand about how the actors behave among multiple logics. Second, we examine how the dominant logic is developed over time. In particular, we focus the pattern that includes a change consensus to describe the dominant logic is established.

## Under the Radar – Understanding the Effects of No or Low Reputation Firms

Steven Boivie, *Texas A&M University*  
Songcui Hu, *University of Arizona*  
Richard Gentry, *University of Mississippi*

Because the extensive research investigating the effects of reputation has focused on the extreme positive tail of the distribution, we know very little about the vast majority of firms with little to no reputation or attention. Given the numerous burdens associated with a high reputation we examine how firms with little or no attention are different from those who face greater scrutiny. We investigate how firms that are "under the radar," in terms of having little or no media coverage, may have different strategic behaviors and outcomes. We find a lack of media coverage affects CEO pay, CEO power, and firms' risk-taking behavior. Our study contributes to the growing reputation literature by providing a better understanding of outcomes associated with firms flying under the radar.

## SESSION 267

**INDUSTRY EVOLUTION FROM EMERGENCE TO UPHEAVAL**

<b>TRACK I</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Schinkel III
<b>Chair</b>	Martina Montauti, <i>IE Business School</i>	

**Entry into the Old Technology during a Discontinuity: New Ventures in Anticancer Chemotherapy**

Lourdes Sosa, *LSE*

Fiona Murray, *MIT*

The study of processes that explain developmental event sequences is central to strategy research. One such classic process describes creative destruction: a market's change in technologies. Although incumbents' mastery of the standing technology previously blocked entry, the new technology's emergence offers a yet uncontested opportunity promoting entry. Incumbents then "milk" their old technology while attempting to transition into the new one. We present the anticancer drug market's transition from chemotherapy into biotechnology as an irregularity to this process: the old technology grows over time driven by entrants (not incumbents) while incumbents leave the old technology faster (than entrants). Through inductive research we explain both irregularities linking changes in this classic life cycle process to changes in the structure of the market for venture capital.

**How Firms Sustain Performance in Face of Technological Change in the Music Industry**

Paola Zanella, *Bocconi University*

Paola Cillo, *Bocconi University*

Gianmario Verona, *Bocconi University*

Recent anecdotal evidence shows that in face of technological change leading companies manifest a higher degree of flexibility than expected in literature. In this proposal we deduce from the literature two propositions and we study the last 15 years' transformation of the music industry. We show how the introduction of digital channels related to downloading and streaming have impacted the market share of the industry in favor of independent companies. At the same time, we show how leading companies have increased their capacity to extract more value in the market by increasing the performance of their songs in the charts. We conclude by identifying a series of mechanisms that incumbent firms can use to sustain performance in face of technological shifts.

**Anatomy of Entry in a Nascent Phase of Industry**

Jung Kwan Kim, *Temple University*

Won Kyung Min, *Fordham University*

This research aims to theoretically identify fine-grained entry patterns in a nascent stage of a technology-intensive industry in evolutionary and problem-solving perspectives on technology. This study argues that the emergence of a compatible control component attracts entrants with other functional component technologies and that technological imbalance of functional component technologies in turn facilitates entry of firms with control component technology, collectively initiating a favorable period of either type of potential entrants to enter in.

**The Role of Category Evolution in the Exaptive Cycle: Evidence from Patent Data**

Mariano Mastrogiorgio, *IE Business School*

Martina Montauti, *IE Business School*

The concept of exaptation has been recently introduced to explain serendipitous functional shifts of existing technologies, to shed light on function-driven channels of innovation and, ultimately, of market creation. Despite the increasing interest in exaptation, an investigation of how context-related factors shape the entire exaptive cycle functional shift followed by market creation is largely missing. The aim of this paper is to

fill this gap by analyzing the role of categorization, with a focus on how the evolution of technological categories shapes the exaptive cycles. To test our main hypotheses, we rely on an empirical setting based on patent data.

## SESSION 273

**CAPABILITIES FOR DESIGN AND INNOVATION**

<b>TRACK I</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Bishop
<b>Facilitator</b>	Anne Marie Knott, <i>Washington University in St. Louis</i>	

**Blinded by Status? How Organizational Innovativeness Moderates the Effect of Status**

Balazs Szatmari, *Erasmus University-Rotterdam*

Dirk Deichmann, *Erasmus University-Rotterdam*

Jan Van den Ende, *Erasmus University-Rotterdam*

This study explores when organizations should mobilize high-status project groups to implement innovations. We hypothesize that project group status has a positive effect on innovation project performance. However, we also suggest that this effect depends on how supportive the environment is of the innovation-related activities of the group, as reflected by organizational innovativeness. In order to test our hypotheses, we analyze a unique dataset which combines social network and sales data from the video games industry. We find support for both the positive effect of project group status on innovation project performance and the negative moderating effect of organizational innovativeness. Implications for theory and practice are discussed.

**Capable Designs or Designing Capabilities? Exploring Service Design as an Emerging Organizational Capability**

Ieva Martinkenaite, *Telenor Group*

Karl Joachim Breunig, *Oslo and Akershus University College*

Annita Fjuk, *Telenor*

Service design has become a well-established business practice of how firms create new products and services to promote differentiation in an increasingly uncertain business landscape. Implicit in the literature on service design are assumptions about strategic implications of adopting the prescribed innovation methods and tools. However, little is known about how service design evolves into an organizational capability enabling firms to transform their existing businesses and sustain competitiveness. Through a longitudinal, exploratory case study of service design practices in one of the world's largest telecommunications companies, we explicate the mechanisms through which service design evolves into an organizational capability. We contribute by bridging the emerging literature on service design and design thinking with established strategy theory.

**Investigating Organizational Identity in Research Intensive Firms**

Linda Tegarden, *Virginia Tech*

Yolanda Sarason, *Colorado State University*

We investigate whether organizational identity explains differences in firms' actions with paradigm-changing technology. We found two contrasting identities among research-intensive firms: science-driven and customer-driven identities. Our results show that these identities were the cumulative development of specific capabilities that evolved in a self-reinforcing manner over time. These identities were associated with different product and technology choices. Organizational identity adds to our understanding by explaining why different exploration and entry choices were observed. While identity is typically defined by both stable and flexible elements, this research suggests that the stability of specific capabilities may be a central aspect to consider where adaptation to technology, products and markets is needed. The implications from our findings provides fruitful avenues to investigate research-intensive firms' actions and behavior.



Reconciling the Firm Size and Innovation Puzzle

Anne Marie Knott, *Washington University in St. Louis*  
Carl Vieregger, *Drake University*

A long-standing debate in the innovation literature pertains to optimal firm size. Empirical results have settled into a puzzle: R&D spending increases with scale while R&D productivity decreases with scale—thus large firms appear irrational. We propose the puzzle stems use of product/patent counts which undercount large firm innovation. We that proposition using recently available NSF data of firms’ R&D practices as well as a broader measure of innovation. With the new measure, we find that both R&D spending and R&D productivity increase with scale—thus resolving the puzzle. We further find that while large firms and small firms differ in the types of R&D they conduct, there is no type whose returns decrease in scale.

Cross-domain Innovation and Knowledge Conversion Capabilities: Evidence from Medical Devices Industry

Daniela Baglieri, *University of Messina*  
Maria Teresa Bolivar Ramos, *Autonomous University of Barcelona*  
Fabrizio Cesaroni, *University of Messina*

This paper attempts to explore firms’ knowledge conversion capabilities (KCC) and their impact on firm performance. More specifically, we distinguish between prior experience within domain and across domain, and consider also institutional diversity to analyze how they influence the relationship between KCC and firm’s performance. Our analysis of a sample of medical device firms from 1996 to 2013 provides controversial support for the importance of each of these variables for the performance of an organization. In particular, we observed that firms’ technological specialization reduces the effect of new product introductions on performance. However, institutional diversity strengthens the effect that a quick new product introduction has on performance.

SESSION 241

OPENING STRATEGIC CONVERSATIONS

TRACK J	Date	Monday, Sep 19
	Time	08:00 – 09:15
Paper	Room	Charlottenburg II
Chair	Krsto Pandza, <i>University of Leeds</i>	

Framing in the Openness of Policy Work

Shih-Chang Hung, *National Tsing Hua University*  
Yung-Ching Tseng, *Yuan Ze University*

The trend toward an open government poses great challenges for policy makers who need to both involve various stakeholders outside the political system and frame their policy in a way that is meaningful, persuasive, and legitimate. Drawing on framing theory as well studies on open strategy, strategy practice, and institutional work, this paper examines the ways in which the Taiwanese political bodies developed various framing strategies or processes to support and justify their proposals and agendas. The strategies include (1) normalizing, including problematization and agenda setting; (2) futurizing, including foresight, road-mapping, and scenario planning; and (3) symbolizing, including storytelling, metaphors, and analogies. We discuss various conditions (contextual contingencies and framers’ moral authority) that underlie the effective framing of the policy.

Taking Advantage of Wider Participation in Strategy Workshops: Trust as an Enabler

Johanna Pregmark, *Chalmers University of Technology*

The purpose of strategy workshops commonly relates to creation of direction. However, previous research shows that this purpose is not always met. This is problematic, since strategy workshops are considered a critical features of the strategic planning process, widely used and often costly. Several authors stress that lack of diversity is a problem for direction creating and adding more voices to the conversation could be one way to solve it. Thus, one way to approach the problem is to invite a wider circle

of participants. Logically, in order to make use of the broader participation the ability and commitment to voice opinions and ideas should be crucial. This paper aims to investigate how leaders can create the trust needed to make that happen.

External Environment, Firm Capability and Cross-border Collaboration

Na Ma, *Tsinghua University*  
Donghong Li, *Tsinghua University*  
Weiku Wu, *Tsinghua University*

In this study, we constructed an integrated framework of how multidimensional external environment, including operation-related environment and innovation-related environment, affect the cross-border collaboration. Drawing from escape view and leverage view correspondently, we argued the operational-related environment negatively affects firm’s cross-border collaboration and innovation-related environment has a positive relationship with cross-border collaboration. Furthermore, we studied moderating effects of internal factors. We argued firm’s market capability weakens the negative effect due to less dependence and strengthens the positive effect of innovation-related environment because stronger confidence. Technology capability weakens the negative effect of operational-related environment and the positive effect of innovation-related environment. We make empirical tests using the cross-border collaborative innovation of Chinese manufacturing firms between 2003 and 2007.

Effectiveness of Successive Strategic Episodes in Bringing About Change

Rita Järventie-Thesleff, *Aalto University*

Based on a longitudinal case study on implementing corporate brand driven strategic change through a series of brand-training workshops, we explore the removal, the use of liturgy and the involvement of ritual specialists both in centrally and in locally organized workshops and elaborate on their corresponding effect on the creation of liminality. We contribute to the research on strategic episodes by increasing understanding on the effectiveness of successive strategic episodes in bringing about cognitive change. Building on the ritualization theory, we were able to shed light on the unwitting change in the key design parameters when transitioning from the central to local level of the organization, which seemed to diminish both the evolvement of liminality within the workshops and the cognitive outcomes they produced.

SESSION 72

ENTREPRENEURSHIP AND INSTITUTIONS

TRACK K, TRACK X	Date	Monday, Sep 19
	Time	08:00 – 09:15
Paper	Room	Charlottenburg I
Chair	Yongwook Paik, <i>Washington University in St. Louis</i>	

Political Connections and Ownership Concentration: Evidence from Chinese Privately Owned Enterprises

Jingjing Wang, *University of Missouri*  
Peter Klein, *Baylor University*

Based on a series of nationwide surveys of privately owned enterprises (POEs) in China, we explore the influence of the founder-owner’s political connections—specifically, former government cadre experience—on the ownership structure of Chinese POEs. 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, Chinese officials and investors prefer more diffusely held, Western-style firms, meaning that less-concentrated ownership structures have greater legitimacy. We hypothesize a nonlinear 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.

## Private Entrepreneurs' Political Participation and Strategy Making of their Firms: Evidence from China

Jane Lu, *University of Melbourne*

Liqun Wei, *Hong Kong Baptist University*

This paper examines whether and how private entrepreneurs' political participation, an increasingly popular form of corporate political activities in transitional economies, influences the strategy making of their firms. In a nationwide sample of over 3,000 privately owned enterprises in China, we find that private entrepreneurs' direct political participation affects the strategy making of their firms by influencing both the entrepreneurs' motivations and their capabilities. More specifically, we find that political participation boosts private entrepreneurs' self-perceived social status and resource acquisition abilities, which in turn prompts their firms' to undertake strategic deviance and risk-taking strategies. This study enriches our understanding of corporate political strategy by illuminating the mechanisms through which political participation of private entrepreneurs affects their firms' business strategies.

## Why Some Markets Refuse Innovation, when they Say they Love it: Evidence From Uber's Expansion

Yongwook Paik, *Washington University in St. Louis*

Sukhun Kang, *London Business School*

We investigate the political determinants of commercializing innovation and argue that the more politically entrenched a market is, the more resistance commercializing innovation will face. Using hand-collected data from the online sharing economy, we use Uber's operations in 213 cities across the fifty U.S. states and some of the resistances it faced when launching its innovative mobile transportation network service in various U.S. markets to test our hypothesis. We find that our data broadly support our hypotheses. This study contributes to the entrepreneurship, innovation, and strategy literatures by highlighting the significance of political determinants and heterogeneity of institutional environment across markets in successfully commercializing innovation.

## Location Considerations for International Ventures' Performance: Institutions and Capabilities as Drivers for Accelerated Startups' Failure

Carla Bustamante, *University of Colorado Boulder*

Sharon Matusik, *University of Colorado, Boulder*

Advancing research concerned with location-firm interactions, our study examines the effects of institutional distance and location capabilities on international startups' failure rates. Using a unique dataset obtained from the largest accelerator program in the world, we rely on survival models to analyze 306 international startups. Our results show that after graduation, international ventures' ability to survive is influenced by institutional distance (whether it internationalizes to a country with stronger or weaker institutions than those in its home country) and location capabilities (the actions to engage with local resources in the host country). Larger location capabilities seem to reduce international startups' failure rate. However, we found that the value of developing these capabilities is contingent to relative institutional distance between venture's host and home countries.

## SESSION 76

### GENDER ISSUES IN ENTREPRENEURSHIP

TRACK K, TRACK X

Date Monday, Sep 19

Time 08:00 – 09:15

Common Ground

Room King

Facilitator

Alicia Robb, *Ewing Marion Kauffman Foundation*

## Founder Unchained: How Does Social Status Matter For Entrepreneurial Independent Strategic Decision-Making?

Jojo Jacob, *Grenoble School of Management*

Maggie Mei, *Grenoble School of Management*

Entrepreneurs think differently from nonentrepreneurs (e.g., Busenitz & Barney, 1997). To benefit from heterogeneous entrepreneurial thinking, entrepreneurs need to influence strategic decision-making at firms. There is however little evidence on factors that may limit or augment entrepreneurs' independent strategic decision-making. This paper examines conditions when entrepreneurs can exercise independent strategic decision-making. It highlights gender bias, and emphasizes social status as an important means to overcome gender bias concerning entrepreneurial independent strategic decision-making. We also demonstrate that both ownership-stake and social status will benefit independent strategic decision-making, and that they interplay with each other in affecting entrepreneurial decision-making autonomy. Econometric analysis carried out on a sample of small and medium Chinese enterprises operating in a diverse set of industries support these conjectures.

## Gender Bias, Social Impact Framing, and Evaluation of Entrepreneurial Ventures

Matthew Lee, *INSEAD*

Laura Huang, *University of Pennsylvania*

Female entrepreneurs are systematically disadvantaged by biased evaluations by funders and other resource providers. We suggest that such gender biases are diminished when the new venture is framed in terms of characteristics consistent with stereotypes of the entrepreneur's gender. We study social impact frames, which are consistent with stereotypically-feminine individual characteristics such as warmth and altruism. We conduct two studies: a field study of real-world social businesses, and a lab study based on entrepreneurial pitch presentations. We find that women who adopt a social impact frame to present their ventures receive higher assessments of their ventures. We also find a second-order "halo" effect of venture framing: use of a social impact frame increases perceptions of a female entrepreneur's warmth without compromising perceptions of her competence.

## Lost In Transmission? Signals And Gender Bias In The Angel Investment Process

Linda Edelman, *Bentley University*

Tatiana Manolova, *Bentley University*

Candida Brush, *Babson College*

Róisín Donnelly, *Bentley University*

In 2014, angels invested \$24.1 billion in 73,400 deals. However, despite these impressive numbers, there is evidence of a gender bias in angel investing. Women entrepreneurs own 38% of all businesses, but attract fewer angel investments. In this paper, we adopt a signaling perspective to examine a unique data set of 284 exchanges between entrepreneurs and the members of a prominent angel investment group. Specifically, we explore signaling sent by entrepreneurs and received by angel investors in general, and then specifically by women entrepreneurs. Our findings indicate that angels receive a number of negative signals from entrepreneurs, resulting in fewer investments. In addition, gender prejudice exists around signals of milestones suggesting an uneven playing field for women entrepreneurs.



## Role of the Own Gender Perception for Female Career Aspiration and Entrepreneurship Intention

Maria Makarova, *Catholic University of the Sacred Heart*

Research on female entrepreneurship continues to confirm not only the gap between number of female and male entrepreneurs, but also a lower interest of women towards entrepreneurial activity as a possible career choice. Still, there is no clarity concerning the reasons of this gap. Taking the starting points within the theory of planned behavior, feminist theory and theory of gender and occupation, this paper represents a pilot study that aims to explore the presence of extra barriers to female entrepreneurship intention. First findings of study among last year bachelor students confirmed the existence of a specific female barrier related to the own gender perception. Role of this barrier on woman's career aspirations and interest towards entrepreneurship as a possible career choice is discussed.

## Founding Team Composition of STEM Firms: Gender and Success Dynamics

Jennifer Woolley, *Santa Clara University*

This study delves into the composition of STEM founding teams to look at how having women on the team might be correlated with team heterogeneity and if this influences firm outcomes. The underlying premise is that not all women entrepreneurs in STEM are academics and that career and educational heterogeneity can provide insight into the firms that they start and organizational outcomes. Additionally, women who start STEM firms may compile differently composed founding teams than others, which may also influence firm creation and outcomes. The findings show that, indeed, firms with women founders have more heterogeneous education, but not employment backgrounds. The data indicate that firms with women founders are more likely to close, but less likely to be acquired.

## Are Female Entrepreneurship Rates Inherently Institutional?: A Cross Country Examination of Institutional Structures and Female Entrepreneurship

Sondos Abdelgawad, *IE Business School*

Joanne Oxley, *University of Toronto*

Entrepreneurship is increasingly recognized as a powerful driver for economic development, innovation and growth. Yet despite the growing stream of literature examining cross-national rates of entrepreneurship, we know little about cross-national differences in rates of female entrepreneurship, and particularly the institutional determinants of the rate and form of female entrepreneurship. In this study, we investigate the influence of regulatory, cognitive and normative institutional structures on women's entrepreneurial activities. We also explore the moderating influence of information technologies (ICTs). Our argument theoretically and empirically highlight that national institutional structures have significant and varying impact on the legitimacy of women-led ventures, affecting female entrepreneurial activities across sectors and countries.

## SESSION 161

## STAKEHOLDERS AND SOCIAL PERCEPTIONS OF THE FIRM

### TRACK M

Date Monday, Sep 19

Time 08:00 – 09:15

### Common Ground

Room

Knight

### Facilitator

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

## Multi-level Views Of Authenticity In Corporate Governance

Erica L. Steckler, *Boston College*

Cynthia Clark, *Bentley University*

The purpose of this paper is to explore the role of authenticity in corporate governance at individual, board, and organizational levels. We propose a preliminary framework that demarcates spheres of authentic governance and specifies stages in which authenticity may be fostered in governance processes in terms of the capacity to make ethical decisions in line with the rights and responsibilities of firm stakeholders.

## The Authenticity Paradox: Why Being More Successful Makes Firms Less Authentic

Cameron Verhaal, *Georgia State University*

Stanislav Dobrev, *University of Utah*

We seek to make two contributions to the literature on organizational authenticity. Following Carroll and Wheaton (2009), we develop and empirically test the supposition that organizations are uniquely able to project claims of authenticity by leveraging perceptions of meaning, visibility, and credibility. Second, while most existing research views authenticity as uniformly beneficial, we argue that the returns to authenticity may decrease with market success. Drawing audience attention is a prerequisite for a firm to succeed on the market but it is also a marker of commercial success that contradicts the quintessential nature of authenticity—engaging in an activity for its own sake over the pursuit of its commercial rewards. We test and find support for an authenticity paradox in the craft beer industry.

## Legitimation-As-Deliberation: Do Stakeholder Dialogues Increase the Perceived Legitimacy of Multinational Corporations?

Robin Schnider, *University of Zurich*

Patrick Haack, *University of Lausanne*

Andreas G. Scherer, *University of Zurich*

The paper is the first to empirically investigate the so-called “legitimation-as-deliberation” hypothesis, according to which firms that enter into deliberation with their stakeholders will increase their perceived legitimacy. To test this hypothesis, we conduct a deliberation study with a difference-in-differences design. Students graduated in economics will discuss the business conduct of a firm in the context of an ethically delicate situation either with or without firm representatives. Students' perception of the firm's legitimacy is assessed before and after the deliberation. The subject of the deliberation will be a topical and prominent case (such as the VW emission scandal). The results will have important theoretical as well as practical implications for managing legitimacy.

## 'Win-win' or 'No Pain, No Gain'?: The Influence of Stakeholder Orientations on Stakeholder Cooperation

Katinka Quintelier, *University of Amsterdam*

J W Stoelhorst, *University of Amsterdam*

Marlene Vock, *University of Amsterdam*

According to instrumental stakeholder theory, firms with a stakeholder orientation – firms that predominantly attend to stakeholders' interests – will be perceived as fairer, which increases stakeholder cooperation, compared to firms with a mixed orientation –firms that aim to increase

their own performance and attend to stakeholders' interests. However, empirical findings suggest that firms with a stakeholder orientation increase skepticism and perceived dishonesty, which decreases stakeholder cooperation, compared to firms with a mixed orientation. In this paper we develop and test theory to reconcile these opposing views on the effect of a stakeholder orientation on stakeholder cooperation. We predict and find that firms with a stakeholder orientation are perceived as more other-regarding which increases stakeholder cooperation compared to firms with a mixed orientation.

### Forging Their Own Chains: How Firm Reputation Influences Managerial Discretion

Owen Parker, *Oklahoma State University*  
Ryan Krause, *Texas Christian University*

Extant research tells us little about the antecedents of managerial discretion, limiting us to those attributes with substantial face validity, such as industry, firm, and individual differences. At the same time, the reputation literature has made substantial advancements in recent years, but most reputation research blurs the differences between reputations arising from a firm's outcomes, such as reputations for product quality or financial performance, and those arising from a firm's behaviors, such as reputations for pursuing innovation or progressive values. This paper offers a theoretical framework that examines how outcome-based and behavior-based "reputations for something" influence managerial discretion along two dimensions: latitude of objectives and latitude of actions, building on the realization that reputation is not always a "good thing".

### Founding Firms' Logic Hybridization: Coping with Reputation Interdependence through Collective Action

Yoojung Ahn, *University of Massachusetts, Amherst*

While much of the literature has considered the change in corporate reputation as a function of solely firm-level determinants, this paper explores the interdependence of corporate reputation among firms in the same industries through an institutional logics lens. The hybridization of logics over time is discussed as the key mechanism for coping with reputation interdependence through collective action, such as forming a coalition. In a longitudinal study of a coalition promoting sustainability in the apparel industry, I begin to find that the three founding firms respectively bring a different set of institutional logics (visionary, networking, and change logics), which are hybridized over time through to create a new set of hybridized logics that guide collective action.

#### SESSION 92

### ALLIANCE PORTFOLIOS: STRUCTURE, CONTENT, AND PROCESSES

<b>TRACK N</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Charlottenburg III
<b>Chair</b>	Olga Bruyaka, <i>West Virginia University</i>	

### Alliance Portfolio Structural Characteristics, Value Creation, and Value Appropriation: The Moderating Effect Of Competition

Giulio Ferrigno, *University of Catania*  
Giovanni Battista Dagnino, *University of Catania*  
Louis Mulotte, *Tilburg University*

This study examines the performance implications of the structural characteristics of portfolios of strategic alliances. We argue that density and cohesion of alliance portfolios have direct but opposite effects on portfolios' potential for value creation and value appropriation. Specifically, we claim that density decreases value creation while increasing value appropriation whereas cohesion increases value creation

while decreasing value appropriation. We also argue that competitors within the alliance portfolio moderate these relationships. We intend to test our predictions through a longitudinal analysis of 107 R&D alliance portfolios formed in global telecommunication equipment industry from 2000 to 2010. We contribute to alliance research by developing our understanding of the causal relationship between the structure of alliance portfolios and the portfolios' potential for value appropriation and value creation

### Alliance Portfolios and Firm Performance: How Does Composition and Content Diversity Matter?

Olga Bruyaka, *West Virginia University*  
Turanay Caner, *St. John's University*

Extant research on alliance portfolios suggests that both composition and content diversity are important drivers of firm performance. However, their effects are often opposite—while composition diversity has been found to often have a negative effect on firm performance, content diversity has been consistently associated with a positive effect. These findings may imply some kind of trade-off between the two diversity dimensions of alliance portfolios. Aiming to disentangle this trade-off we predict and test how different combinations of alliance portfolio composition and content diversity affect firms' financial performance in the context of the US biopharmaceutical industry. Our study's findings lend support to the value of multidimensional approach to studying alliance portfolio diversity.

### Making More of Alliance Portfolios: The Role Of Coordination

Raymond Van Wijk, *Erasmus University-Rotterdam*  
Anna Nadolska, *Erasmus University-Rotterdam*

Alliance portfolios allow firms to draw on the resources of multiple partners simultaneously, and hence to create value and to capture benefits above those attainable in individual alliances. We suggest that management of a portfolio is a key activity that helps firms realize the synergies embedded in the structure of the portfolio. Specifically, we consider how alliance portfolio coordination shapes the effect of alliance portfolio characteristics on the benefits a focal firm derives from its portfolio structure. Based on a questionnaire returned by 444 Dutch companies, we found that alliance portfolios coordination is an important element of dealing with the challenge of managing portfolios as it shapes the effect of the other portfolio characteristics.

### Exploitation Alliance Portfolios: Impacts of Size and Internationalization on Operational Firm Performance

Oliver Rossmannek, *Albert Ludwig University of Freiburg*  
Olaf Rank, *Albert Ludwigs University of Freiburg*

We analyze the impacts of structural alliance portfolio aspects and partner characteristics on operational firm performance and concentrate solely on exploitation alliances. This type of alliance is characterized as less uncertain in terms of tasks, outcomes and governance forms. We test our hypotheses through a fixed effects panel regression using a sample of 64 airlines in the years 2001–2009. As a result, we find a U-shaped relationship between alliance portfolio internationalization and operational firm performance. In contrast, portfolio size does not seem to influence performance. We therefore conclude that, in the context of exploitation alliances, partner characteristics seem to be more important than portfolio size and that firms should either focus on local partners or use the possibilities of international resources intensively.



## SESSION 97

**WHO'S IN CHARGE? POWER, RECIPROCITY AND THE DARKSIDE OF EMBEDDEDNESS**

<b>TRACK N, TRACK X</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Tegel

**Chair** John Mawdsley, *HEC-Paris*

**Enduring Market Ties and the Survival of Professional Service Firms**

John Mawdsley, *HEC-Paris*

This study examines the impact on professional service firm (PSF) survival when their business portfolio is comprised to a greater extent of projects from enduring market ties. The findings corroborate research on the hazards of embedded relationships, showing that PSFs are more likely to fail when they undertake relatively more work for long-term clients, and this negative effect is stronger when PSFs have greater dependence on their clients. In contrast, PSFs can unlock the value from enduring ties and increase their probability of survival when their business is more dispersed, and when their combined portfolio of clients have a broader horizontal scope. This paper draws attention to the firm-level consequences of enduring market ties based on the configuration of a firm's portfolio of relationships.

**Understanding Contracting Behavior: The Role of Power**

Zhe Xing, *University of Southern California*

Roshni Raveendhran, *University of Southern California*

Kyle J. Mayer, *University of Southern California*

We seek to combine elements of the individual-level literature on power in negotiations with the work on market power to better understand how different types of power may influence contracting behavior. There are several different elements of contracting behavior that could be affected by power. First and foremost, power differentials could influence contract design beyond simple distribution of rents (e.g., detailed roles and responsibilities, attention to contingencies). Second, power differentials might lead to different reactions to the breach of a contract. Relatedly, power differentials might lead to a change in the propensity to breach a contract. Firms with more power may well be more willing to breach a contract if they feel a certain degree of impunity due to their power.

**Does Reciprocal Use of Real Options Qualify as Cooperative Strategy?**

Bent Petersen, *Copenhagen Business School*

Filippo Albertoni, *Polytechnic University of Milan*

Christian Asmussen, *Copenhagen Business School*

Peter D. Ørberg Jensen, *Copenhagen Business School*

We study reciprocal uses of real options (ROs), meaning the exchange of call and put options between two business parties. Most RO studies focus on one-sided uses of ROs. RO reciprocity makes sense when sizable irrevocable investments are needed upfront, and the risk tolerance of the two parties differs to a non-negligible extent. In this case, the more risk-willing party is allotted a call option in exchange of granting the risk-averse party a put option. By use of a risk tolerance simulation model in the context of an international joint venture we demonstrate how an RO exchange appears as a win-win strategy for two business parties with asymmetrical risk profiles. We also exemplify reciprocal use of RO in the context of franchising and outsourcing.

**Temporarily Relaxing Embedded Relations: A Multi-method Study**

Fabian Sting, *Erasmus University-Rotterdam*

Merieke Stevens, *Erasmus University-Rotterdam*

Murat Tarakci, *Erasmus University-Rotterdam*

We examine the performance implications of temporarily relaxing embedded buyer-supplier relationships. First, we conducted a case study of the relationship between Nissan and a strategic first-tier supplier. This case study suggests that de-embedding can lead to higher performance for both the buyer and supplier. To analyze and explain these performance implications we use complexity theory and its fundamental notion of search as a theoretical perspective. Second, we built an agent-based simulation model to generalize and augment the theory emerging from our case study. Our simulation experiments corroborate the case findings, and shed additional light on the trade-offs pertaining to temporarily relaxing embedded relations, as well as on the pivotal role of complexity as a contingency factor.

## SESSION 209

**OWNERSHIP AND GOVERNANCE**

<b>TRACK O</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Queen

**Facilitator** Korcan Kavusan, *Erasmus University Rotterdam*

**Nice To Meet You: The Influence Of Relational Embeddedness On Private Shareholder Engagement Success**

Laura Jacobey, *University of Goettingen*

Institutional investors play a crucial role in the corporate governance landscape as they hold significant stakes and frequently engage in shareholder activism. In such engagements, institutional investors aim to induce firms to introduce balanced and value-creating corporate structures, strategies, and actions. Most institutional investor activism happens behind the scenes within private negotiations with targeted firms. However, research on the process and success factors of such private engagements is scarce. Arguing from an embeddedness point of view, we claim that the number, type, and strength of relationships institutional investors maintain with targeted companies influences chances of engagement success. Using a detailed and unique dataset on private shareholder activism, we aim to shed light on how institutional investors can manage to enforce changes in targeted firms.

**Symbolism in Regulatory Compliance in China's Emerging Market**

Weiwen Li, *Sun Yat-sen University*

Yan Anthea Zhang, *Rice University*

Xinchun Li, *Sun Yat-sen University*

China's securities regulators require all public-listed companies to have at least one independent director with accounting expertise. We argue that the largest shareholder of a company may symbolically comply with this regulatory requirement by appointing an independent director with nominal credential but no real experience in accounting (or auditing). With panel data on listed companies in China, we found that the ownership of a company's largest shareholder increases the likelihood of symbolic appointment of accounting independent director, and that analyst coverage decreases the likelihood and weakens the impact of the largest shareholder's ownership on the likelihood of symbolic appointment of accounting independent director. Moreover, we demonstrated that symbolic appointment of accounting independent director is positively related to the subsequent tunneling behaviors of the largest shareholder.

## Mechanisms of State Pressure: A Study of the Chinese Stock Market Crash

Feibo Shao, *Oklahoma State University*

Scott Johnson, *Oklahoma State University*

In the past decade the Chinese economy has experienced two periods in which equities have lost more than 50% of their value within a year. The Central Government attempted to mitigate these crashes by directing managers to stop selling shares that they owned. This study investigates hypotheses regarding how different types of firms respond to this directive. Based on the preliminary analysis, we found that more visible firms were more likely to comply with the Central Government but that the degree of state ownership in a firm decreased compliance.

## Understanding the Roles of Controlling Shareholder Expropriation, Slack Resources, and Profitability on Financial Distress

Daniel Han Ming Chng, *CEIBS*

Qing Ye, *CEIBS*

This paper explores financial distress among good-performing firms in an emerging market, China. It specifically addresses the roles of slack resources, controlling shareholder expropriation, and profitability. Given the prevalence of controlling shareholder expropriation in this emerging economy, we examined conditions that influence expropriation and subsequently its effect on financial distress. We contend that deviation in controlling shareholder voting to cash flow rights, unabsorbed and absorbed slack resources, and profitability affect expropriation. Moreover, such expropriation increases the likelihood of subsequent financial distress but its effect is mitigated by profitability. We test our temporal model using a matched sample of distressed and non-distressed listed Chinese firms between 2003 and 2008. Our study contributes important insights to our understandings of financial distress in an emerging market.

## Varieties of State Capitalism: A Comparative Study of Business Group Effect in China and India

Helen Wei Hu, *University of Melbourne*

Lin Cui, *Australian National University*

Preet Aulakh, *York University*

Business groups are prevalent in many emerging economies in which the state plays a salient role in economic coordination. We argue that the nature of interaction between business groups and the state varies across varieties of state capitalism, thereby influencing business groups' resource allocation strategies and affecting the persistence of affiliated firms' superior performance. Using China and India as examples of two distinct types of state capitalism, we examine 1,153 large firms from these two countries over the 2005–2010 period, and find that the positive effect of business group affiliation on firm performance persistence is stronger with a dominant state (e.g., China) than with a facilitating state (e.g., India). However, the divergence of this business group affiliation effect is weakened as affiliated firms internationalize.

## Do Investors Influence Internal Capital Allocation Decisions?: Examining the Heterogeneous Effects of Institutional Investors

John Busenbark, *University of Georgia*

Mathias Arrfelt, *Arizona State University*

Matthew Semadeni, *Arizona State University*

While investor influence on managerial decisions ensures that the interests of investors are being upheld, investors may exert their influence in areas where they have considerably less information and expertise than managers. In this article, we examine the internal capital allocation process in multidivisional firms to determine if investors influence how corporate managers allocate capital. Due to the uncertainty in the allocation process, we expect managers to consider business unit performance as an indicator of where to allocate capital. We investigate whether the type of institutional investor and level of environmental uncertainty affect

how managers interpret this signal. We find that dedicated and transient institutional investors have opposing effects on the allocation process and that these effects are stronger when environmental uncertainty is high.

## SESSION 274

### EMOTIONS AND STRATEGY

<b>TRACK P</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Schinkel I/II
<b>Chair</b>	Natalia Vuori, <i>Aalto University</i>	

## The Role of Sentiments in Strategic Decision Making: A Behavioral Perspective

Steffen Nauhaus, *University of Geneva*

Johannes Luger, *University of St. Gallen*

We investigate how stakeholder sentiments—which we define as stakeholders' assessment and expectations about a firm-unit's current status and future prospects—influence firms' capital allocation decisions. In particular, we submit that stakeholder sentiments and the variance in these sentiments guide corporate capital allocation decisions in the presence of uncertainty. We analyze 120,718 professional and trade magazines to obtain stakeholder sentiments in the U.S. pharmaceutical industry and find support for our main predictions. We contribute by introducing sentiments as a broad, multi-dimensional driver of strategic decision making, which complements the more narrow financial performance metrics used in earlier work studying the antecedents to firms' decision making.

## The Price of Being High and Lean: Positive Affect, Lean Methodology and Internal Corporate Venturing

Natalia Vuori, *Aalto University*

Marina Biniari, *Aalto University*

Timo Vuori, *Aalto University*

We studied a company's failure to grow and renew through internal corporate venturing. To succeed, the company's senior managers invested resources in an internal corporate venturing program and created an innovation-supporting affective environment inside the venturing program. This, however, triggered a self-growing cycle of positive affect that distracted the participants of the program from their core venturing-related tasks. To address any critic, the participants instrumentally used the lean startup ideology to legitimize their approach. While the previous literatures on innovation, internal venturing, and entrepreneurship have mainly described the benefits of positive affect, our findings contribute to these literatures by explicating the dynamics through which the experience of positive affect hinders the judgment and diverts the attention of employees away from organizational goals.

## Organizational Identification in Hybrid Organizations

Cleo Silvestri, *Imperial College London*

Paola Criscuolo, *Imperial College London*

Markus Perkmann, *Imperial College London*

The present paper provides an individual-level analysis using a quantitative approach to study what makes organizational members identify with their organization when this one is shaped by a dominant logic and a minority logic. Using both archival data and a survey conducted at Imperial College London on 1,464 academics, the results suggest three main effects. First, in organizations characterized by dominant and minority logics, the stronger individual adherence to the dominant logic leads to higher levels of organizational identification. Second, if the adherence to the dominant logic is stronger than the adherence to the minority logic, organizational identification suffers. Third, the individual ability to equally adhere to multiple institutional logics makes the organizational member identify more with his or her organization.



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## **Family Influence and Employee Productivity in Manufacturing Firms: A Socioemotional Wealth Perspective**

Josip Kotlar, *Lancaster University*

Melanie Richards, *University of St.Gallen*

This study examines the impact of family influence on employee productivity in manufacturing firms. Taking a socioemotional perspective and arguing that human resource management practices must align employees' interest and goals to those of firm owners and managers, we hypothesize that the fit between family managers' non-financial goals and the firm's human resource management is the primary determinant of employee productivity. Accordingly, we argue that the effect of family influence on employee productivity, although positive overall, is largely dependent on key aspects of human resource management, such as the composition of the workforce, contractual arrangements and training. A longitudinal study of 2,931 manufacturing firms in Spain from 1997 to 2012 supports this view, contributing to human resource management and family business research.

## SESSION 136

## THE ART &amp; SCIENCE OF (DISRUPTIVE) BUSINESS MODEL DESIGN

PLENARY, TRACK D, TRACK X	Date	Monday, Sep 19
	Time	09:30 – 10:30
Plenary Panel	Room	Potsdam I

## The Art &amp; Science of (Disruptive) Business Model Design

## Leaders

Christoph Zott, *IESE Business School*

## Panelists

Raffi Amit, *University of Pennsylvania*

Clayton Christensen, *Harvard University*

Yves Pigneur, *University of Lausanne*

Georges Romme, *Eindhoven University of Technology*

Nicolaj Siggelkow, *University of Pennsylvania*

This panel connects the discourses on business models, disruptive innovation, and design by considering business models as design artifacts. Managers and entrepreneurs are the architects and system designers who conceive of innovative business models that may disrupt entire industries. The objectives of the proposed panel include: to address the community of academics, business practitioners, and consultants (the "ABCs") to generate a deep dialogue about business model research and its applications, specifically with respect to industry disruption; to examine the roles of founders and top managers as architects and designers of their business models; and to highlight research opportunities at the intersection of business model research, disruptive innovation, and design.



**CHRISTOPH ZOTT** is a Professor of Entrepreneurship at IESE Business School in Barcelona, where he is also the Director of the MRM and Ph.D. Programs. His current research and teaching interests center on business model innovation, design thinking, entrepreneurial leadership, and private equity. He is a Co-Editor for the *Strategic Entrepreneurship Journal* and a member of

the editorial board of the *Strategic Management Journal*, and has served in various leadership roles for the Strategic Management Society and the Academy of Management. Christoph Zott holds graduate degrees with distinction in Industrial Engineering from Karlsruhe Institute of Technology and Institut National Polytechnique de Grenoble. He received his Ph.D. in Commerce and Business Administration from the University of British Columbia.



**RAFFI AMIT** is the Robert B. Goergen Professor of Entrepreneurship and a Professor of Management at the Wharton School. He founded and leads the Wharton Global Family Alliance (WGFA), a unique academic-family business partnership. He served as the Academic Director of Wharton Entrepreneurship which encompasses all of Wharton's entrepreneurial programs between

1999 and 2015. He holds B.A. and M.A. degrees in Economics, and received his Ph.D. in Managerial Economics and Decision Sciences from Northwestern University's J.L. Kellogg Graduate School of Management. His current research and teaching interests center on the design and implementation of innovative business models, venture capital investments, and on family business management, governance and finance.



**CLAYTON CHRISTENSEN** is the Kim B. Clark Professor of Business Administration at the Harvard Business School. He started four successful enterprises including Innosight, a consulting firm that uses his theories of innovation to help companies create new growth businesses. He received his BA with honors in economics from Brigham Young University and an M.Phil. in applied econometrics from Oxford University, where he studied as a Rhodes Scholar. He received both an MBA with high distinction and a DBA from the Harvard Business School. Clayton Christensen was named a White House fellow and served as assistant to U.S. Transportation Secretaries Drew Lewis and Elizabeth Dole.



**YVES PIGNEUR** is professor at the University of Lausanne since 1984, and has held visiting professorships at Georgia State University, University of British Columbia, National University of Singapore, and HEC Montreal. He earned his doctoral degree at the University of Namur, Belgium. He was the former Editor-in-Chief of the academic journal "Systèmes d'Information & Management". Together with Alexander Osterwalder, they invented the Business Model Canvas and authored in 2010 the international bestseller "Business Model Generation", translated in 40 languages; and more recently "Value Proposition Design". In 2015, they have been recognized as one of the top management thinkers by Thinkers50 and received its Strategy Award.



**GEORGES ROMME** is Professor of Entrepreneurship & Innovation at Eindhoven University of Technology (TUE) in The Netherlands. He obtained an MSc degree in economics from Tilburg University and holds a PhD from Maastricht University. He served as dean of the TUE school of Industrial Engineering & Innovation Sciences from 2007 to 2014. Several of Georges Romme's key publications have been instrumental in re-introducing Simon's design science perspective into the management discipline. Georges Romme was one of the founders of KIC InnoEnergy S.E., an innovation intermediary that commercializes new technologies in energy production, transport and storage in Europe, and serves as non-executive director of several other companies.



**NICOLAJ SIGGELKOW** is the David M Knott Professor at the Wharton School, University of Pennsylvania. He holds a Ph.D. in Business Economics from Harvard University. He is a fellow of the Strategic Management Society and has served as an editorial board member of *Administrative Science Quarterly*, *Organization Science*, *Strategic Management Journal*, and *Strategic Organization*. He is a Co-Director of the Mack Center for Technological Innovation at Wharton. His research conceptualizes firms as systems of interconnected strategic choices. He has studied the implications of this view on organizational design and the creation and sustainability of competitive advantage.



## SESSION 309

**STRATEGIC MANAGEMENT – AN EVOLVING FIELD THAT “MOVES THE WORLD”**

<b>TRACK PLENARY</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	09:30 – 10:30
<b>Plenary Panel</b>	<b>Room</b>	Potsdam III

**Strategic Management – An Evolving Field that “Moves the World”****Leaders**

Anja Tuschke, *University of Munich*

**Panelists**

Gautam Ahuja, *University of Michigan*

Alfonso Gambardella, *Bocconi University*

Constance Helfat, *Dartmouth College*

Daniel Levinthal, *University of Pennsylvania*

Will Mitchell, *University of Toronto*

Today strategy researchers must address pressing questions of how to develop, assess, and implement “strategies that move the world.” As the field of strategic management has evolved, it has developed a set of concerns distinct from that of other fields, and the field must continue to evolve in the face of urgent real-world problems. In addition, strategy research historically has been open to different perspectives, approaches, and methods. The question arises, however, as to whether the field of strategic management can maintain this openness and its identity as a field in the face of pressures from sister disciplines to narrow the scope and method of inquiry. This raises a number of critical questions. For example, how can strategic management deal with the diversity of perspectives in the field, while building cumulative understanding for research and practice? How can this diversity be harnessed to address the complex challenges facing firms and the world today? The panelists plan to tackle these issues head on, and to propose ways in which research can be open and eclectic, while preserving rigor and relevance.



**ANJA TUSCHKE** is Professor of Strategic Management at the University of Munich. Prior to joining the Munich School of Management, Anja Tuschke held the position of a director at the Institute of Organization and HR Management at the University of Bern in Switzerland. Anja Tuschke's research interests revolve around the link between corporate governance and executive leadership. She is

particularly interested in how the selection, compensation, and networks of directors affect strategic decisions and outcomes. Anja Tuschke was a Representative-at-large for the Corporate Strategy and Governance Interest Group of the Strategic Management Society and serves on the editorial boards of *Strategic Management Journal*, *Academy of Management Journal* and *Business and Research*.



**GAUTAM AHUJA** is the Harvey C. Fruehauf Professor of Business Administration and Strategy at the University of Michigan. His research interests focus on competitive analysis, technology strategy, and the implications of globalization and the use of mergers, acquisitions and alliances in these contexts. Gautam Ahuja's research has received several international awards including the Free

Press Award for outstanding research in Strategic Management (1997). He has also received numerous teaching awards and honors

throughout his career. He has served or is serving as Associate Editor for *Management Science*, a Senior Editor for *Organization Science* and as a member of the Editorial Board for *Academy of Management Review*, *Administrative Science Quarterly*, and *Strategic Organization*.



**ALFONSO GAMBARDELLA** is Professor of Corporate Management at Bocconi University, 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*.



**CONSTANCE E. HELFAT** is the J. Brian Quinn Professor in Technology and Strategy at the Tuck School of Business at Dartmouth. Her research focuses on firm capabilities, including technological innovation and firm adaptation and change. She has conducted research on corporate executives, including women executives. She is a Fellow of the Strategic Management Society, received the

Distinguished Scholar Award from the Technology and Innovation Management Division of the Academy of Management, serves as Co-Editor of the *Strategic Management Journal* and Associate Editor of the *Palgrave Encyclopedia of Strategic Management*, and is on the editorial board of other academic journals. Constance Helfat received her undergraduate degree from the University of California-Berkeley and her Ph.D. from Yale University.



**DANIEL LEVINTHAL** is the Reginald H. Jones Professor of Corporate Strategy at the Wharton School, University of Pennsylvania. He has published extensively on questions of organizational adaptation and industry evolution, particularly in the context of technological change. He is a past winner of the Strategic Management Society's Best Paper prize and, in addition to being a Fellow of the Strategic Management Society, he is

a Fellow of the Academy of Management. He currently services as Editor-in-Chief of *Organization Science* and previously served as Editor for *Business Strategy at Management Science*. He has received an honorary doctorate from the University of Southern Denmark and has held visiting professorships at the Harvard Business School and the Sant'Anna School of Advanced Studies.



**WILL MITCHELL** is Professor of Business Administration in Strategy and the J. Rex Fuqua Professor of International Management at Duke University's Fuqua School of Business. He is a faculty associate of Duke's Center for Entrepreneurship and Innovation, Health Sector Management Program, and Global Health Initiative. Will Mitchell teaches corporate strategy, business dynamics, and health sector strategy in the MBA, MMS,

Ph.D., and Executive Education programs at Duke, as well as in partnership programs in Africa and elsewhere. He studies business dynamics, focusing on how businesses in developed and emerging markets change as the competitive environments change and, in turn, how the business changes contribute to ongoing corporate success or failure.

10:30 – 11:00

**COFFEE BREAK & SRF SCHOLAR PRESENTATIONS**

## SESSION 196

**STRATEGY IMPLEMENTATION AND EVOLUTION**

<b>TRACK A</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Tiergarten I
<b>Chair</b>	Charles Williams, <i>Bocconi University</i>	

**A Look Inside the Black Box of Strategy Implementation**Alex Tawse, *University of Houston*Pooya Tabesh, *University of St. Thomas in Houston*

Strategy implementation (SI) is a critical component of organizational performance. However, research on the subject remains a disparate constellation of theory, case studies, and empirical work that provides insight but lacks a cohesive framework. In order to provide a foundational model, we undertook a journey of abductive reasoning to create a theoretical framework that explains the variety of phenomena found within the SI literature. Based on our review of 184 papers on SI, the model that emerged is comprised of three components: the conditions that determine SI effectiveness, the mechanisms used by managers to manipulate the conditions, and the dynamic managerial capability to recognize the causal relationships between mechanisms and conditions.

**Contested Evolution: An Institutional Re-Interpretation of Changes in the U.S. Health Care Field, 1890-1980**Dara Szyliowicz, *University of the Pacific*Tiffany Galvin Green, *River Region Human Services, Inc.*

This paper proposes that the competing dynamics of contradictory or pluralistic interests within a field of activity can lead to institutional change. Through examination of the evolving conflict in institutional meanings (logics) in the U.S. health care field, from 1890 to 1980, this argument is supported through a historical examination of the development and evolution of the field. The historical case study provides evidence of the distinct patterns of actors, interests, and activities that allow for the shuffling of particular institutional interests that demonstrate a 'contested' institutional evolution of this organizational field.

**From Knowledge To Action And Back Again: Comparing Implementation Research In Strategy And Health Sciences**Franz Wohlgezogen, *Bocconi University*Charles Williams, *Bocconi University*Hakki Dogan Dalay, *Bocconi University*

Strategy theory, from its foundational texts to recent research, points to the importance of implementation as a source of value for firms. Yet research on implementation remains a peripheral stream, with little sense of systematic progress. In contrast, the field of implementation science in medical research has grown enormously in recent years, and is committed to a cause that strategy scholars appear to have abandoned decades ago: the development of a comprehensive and practical theory of implementation. This article compares the research literature on implementation in strategy to that in medical science, supported by a quantitative bibliometric analyses of a set of 3000 implementation research articles. We suggest what the two fields can learn from one another about implementation and implementation research.

**Strategy as Tensional Harmony**Moshe Farjoun, *York University*Peer Fiss, *University of Southern California*

Internal 'fit' is one of the most central and enduring notions in the field of strategy, theorized to explain firm's strategy, change and performance. We argue that strategy theory has taken a one-sided view of fit by overly emphasizing the advantages of internal fit while overlooking the benefits of internal tensions along with their developmental and adaptive functions. Our theory of strategy as tensional harmony offers a more balanced view of fit and tension. It highlights their interplay and complementary roles in enhancing competitive advantage and enabling innovation, adaptability and endogenous strategic change. Inspired by evolutionary ideas rooted in models of economic growth and in dialectics our theory presents a clear alternative and complement to extant fit-based views and to strategic positioning theory in particular.

## SESSION 285

**COLLABORATION IN MULTI-STAKEHOLDER CONTEXTS**

<b>TRACK B, TRACK M</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Charlottenburg II
<b>Chair</b>	Josh Keller, <i>Nanyang Technological University</i>	

**Initiating Knowledge Alliances for Public-private Innovation Collaboration**Johan Wallin, *Synocus Group*

Knowledge Alliances are a new concept introduced by the public sector into the field of innovation. This concept has begun to gain a foothold in different contexts but has yet to be introduced to the strategic management community. This paper explores the conceptual origin of Knowledge Alliances and presents a grounded definition of Knowledge Alliances as meta-organizations. Based on this definition a framework for initiating the formation of Knowledge Alliances is proposed. The framework considers the different rationales for public and private actors to collaborate in Knowledge Alliances. The proposed framework is applied in the formation of Knowledge Alliances in three cities and the experiences from these cities are reported and discussed.

**Middle Managers Collaboration with Social Movements in Strategy Execution: Role of Collaborative Embeddedness**Leesi Gabriel Gborogbosi, *IE Business School*Carl Joachim Kock, *IE Business School*

Social movements discontent is becoming ubiquitous challenge to firms which may hamper the latter in their strategies execution. We examine the role of firms' middle managers' involvement in collaborations with social movements. This two-phase, sequential mixed method study addresses the central question of how firms' middle managers collaborate with social movements to create higher strategy performance. We test this theory and use embeddedness lens in the context of petroleum industry. Our findings show that social movements are more willing to provide support that enables collaborating firms' middle managers to deliver mutual benefits ahead of peer middle managers of other firms that take more hostile stance. We developed the model of collaborative embeddedness which arises from the embedding of strong close ties in collaboration between parties.



## High on Coopetition? Collective Ambiguity on Cooperation and Competition in Cannabis Industry and Firm Behavior

Josh Keller, *Nanyang Technological University*

Brooke Boren, *University of Oregon*

David Gomulya, *Nanyang Technological University*

While firm leaders decide to compete and cooperate with other firms, the choices may depend on shared understandings about what constitutes as cooperation and competition. When the industry is complex, the meaning of cooperation and competition cannot be taken-for-granted, and this ambiguity can deter firms from acting. In a two-stage mixed method study within the legal U.S. cannabis industry, we investigate how collective ambiguity about what constitutes cooperation and competition influences firm behavior. We find that firms are less likely to engage in actions whose perceived cooperativeness across the industry is ambiguous, but only if the firm leaders do not embrace paradoxes. Our results point to paradoxical tension as a key mechanism that links industry conditions to firm cooperative and competitive behavior.

### SESSION 167

## RETHINKING CORPORATE OBJECTIVES

<b>TRACK C, TRACK M</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Common Ground</b>	<b>Room</b>	Tiergarten III

**Facilitator** Jeffrey Harrison, *University of Richmond*

## Shareholder, Stakeholder, or Shared Value – Which Value to Realign Business and Society?

Maximilian Schormair, *University of Hamburg*

What should be a corporation's normative objective from the perspective of society as a whole? Porter and Kramer have proposed to redefine the corporate purpose around creating shared value (SV), while Harrison & Wicks suggest that firms focus on the maximization of the utility of legitimate stakeholders. Jones & Felps argue instead for corporations to focus on "stakeholder happiness". After identifying and critically contrasting the distinct features of these approaches it is proposed to conceptualize the corporate objective around an advanced concept of SV: Corporations should choose those possibilities of value creation that are desired by society and emerge out of a discursive process of integrated justification of moral, political, legal, ethical and pragmatic aspects of value creation.

## Can Creating Shared Value Transform the Heart of the Global Corporation?

Gaston de los Reyes, *George Washington University*

Markus Scholz, *University of Applied Sciences Technikum Wien*

We ask whether Porter and Kramer are right that CSV "is not on the margin of what companies do but at the center", for if they are not then their claim that "learning how to create shared value is our best chance to legitimize business again" falls flat. Our answer to the title question will be that—as presented—CSV cannot. We argue this approach is destined to get implemented only at the margins in the form of initiatives due to the resource allocation process characteristic of global corporations, which not only stunts CSV's capacity to live up to its promise, but also gives CSV the appearance of greenwashing. In response, we propose that companies form special divisions to incubate the bottom up development of CSV strategies.

## Resource Proximity and Ecologically Sustainable Natural Resource Management

Maren Wendland, *Technical University of Berlin*

Since the publication of the Brundtland report in 1987, authors have called for sustainable development. In management research, however, most scholars have approached corporate sustainability following traditional

economic paradigms so far, regarding sustainability as means to the end of profit maximization. We propose a shift in management research objectives by employing sustainability as end. Based on Whiteman & Cooper's (2000) contribution on ecological embeddedness and research on ethical decision-making (Jones, 1991; Morris & McDonald, 1995), our work shall examine how resource proximity affects natural resource management, thereby defining ecological sustainability as dependent variable. Results will contribute to corporate sustainability and resource management as well as to ethical decision-making, exceeding merely justifying the concept of sustainability.

## Single vs. Multi-objective Theories Of The Firm: Using Constitutional Economics To Resolve And Old Debate

Philipp Schreck, *Martin Luther University of Halle-Wittenberg*

Ingo Pies, *Halle University*

We engage in the recent debate about the adequate normative theory of the firm which involves two competing perspectives: Single-objective (profits) and multi-objective (social values) theories of the firm. We offer a contractarian approach to business ethics to reconcile these seemingly antagonistic perspectives. At the core of our proposed solution lies the distinction between a constitutional level (choices of constraints) and an action level (choices within constraints). Using this distinction, we assign equally important, but categorically different normative roles to both the single- and the multi-objective theories of the firm. This procedure allows us to use the merits of both perspectives while acknowledging their limitations.

## How do Configurations of Stakeholder Orientations and Varieties of Capitalism Influence Corporate Financial Performance?

Jean-Pascal Gond, *City University London*

Santi Furnari, *City University London*

Céline Louche, *Vlerick Leuven Gent Management School*

Despite research has investigated the relationship between corporate social responsibility and firm's financial performance, the impact of different configurations of stakeholder practices on performance has been not investigated systematically. In this paper, we address the question of how different configurations of stakeholder orientations and national institutional contexts affect corporate financial performance. We empirically investigate this question by conducting a fuzzy-set qualitative comparative analysis (fsQCA) on a sample of 535 large firms headquartered in the major capitalist economies (e.g. USA, UK, Germany, France, Japan). We find that different configurations of uni-focal (focused on one stakeholder) and multi-focal (focused on multiple stakeholders) are associated with high and low financial performance. We discuss the implications of our configurational approach for more multi-dimensional analyses of corporate social responsibility and performance.

## Social Valuation Across Multiple Audiences

Riccardo Fini, *University of Bologna*

Markus Perkmann, *Imperial College London*

Julien Jourdan, *Bocconi University*

How is the valuation of an actor by a focal audience influenced by the actor's popularity with an alternate audience? This question is critical to organizations relying on multiple audiences for key resources. We hypothesize that popularity with an alternate audience provides a signal about unobserved quality but, beyond a certain level, undermines conformity to the identity expected by the focal audience. The resulting inverted U-shape relationship is attenuated when actors have established a strong track record for quality, but strengthened when their track record is irregular. We successfully test our hypotheses using panel data on 9,500 academic scientists facing a focal audience of academic peers and an alternate audience of firms. Our work contributes to the understanding of valuation and socially endogenous inferences.

## SESSION 137

**REGULATION, SELF-REGULATION AND VALUE CREATION IN THE SHARING ECONOMY**

<b>TRACK D</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Parallel Panel</b>	<b>Room</b>	Bellevue

**Regulation, Self-Regulation and Value Creation in the Sharing Economy****Chair**Robert Seamans, *New York University***Panelists**Knut Blind, *Technical University of Berlin*Tobias Kretschmer, *LMU Munich*Marvin Lieberman, *University of California, Los Angeles*Catherine Thomas, *LSE*Arun Sundararajan, *New York University*

We propose a panel of academic experts that will discuss the issues of regulation, self-regulation and value capture in the sharing economy. Sharing economy business models have disrupted the competitive landscape across a range of industries, most notably in lodging and ride for hire. Some critics charge that the success of these new entrants is due to regulatory arbitrage—in essence, that the sharing economy entrants are circumventing existing laws and regulations. We aim to explore the validity of this claim by discussing (1) how sharing economy firms create and deliver value; (2) whether self-regulation by sharing economy platforms effectively substitutes for industry regulation; and (3) whether new policies or regulations are necessary. These questions are especially timely given Uber's recent difficulty in Germany.

## SESSION 63

**FIRM SCOPE**

<b>TRACK E</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Tegel
<b>Chair</b>	Elena Vidal, <i>Baruch College</i>	

**Vertical Disintegration, Resource Dependence and the Market for Brands**Christian Lechner, *Free University of Bozen-Bolzano*Gianni Lorenzoni, *University of Bologna*Enrico Tundis, *University of Trento*

The emergence of a market for brands is a relevant economic phenomenon. We show that it is in the first place the outcome of generalised firm behaviour (vertical integration) that subsequently leads to new resource dependencies of firms in their industries. These resource dependencies induce horizontal integration and alter industry structures and thus the potential to establish competitive advantage for established firms and entrepreneurial opportunities for new entrants. We take an industry-level perspective and focus on trademark transactions in the US as the empirical setting for our analysis.

**Corporate and Unit Performance as a Driver of Divestitures**Elena Vidal, *Baruch College*

Divestitures – selling, spinning off or liquidation of resources – are a critical component of resource reconfiguration. Traditionally, divestitures have been viewed as reactive tools of reconfiguration that are undertaken by firms have weak corporate performance; more recent studies, however, have highlighted the proactive role of divestitures by strong firms. We extend this newer body of work by looking at the extent to which the divestiture activity of weak and strong firms varies depending on unit-level characteristics, particularly unit-level performance. Our preliminary

results suggest that weak firms will divest weak units, whereas strong firms will divest more from units that are stronger relative to other units in the corporation.

**The Cost of Accelerating Technology Transfer: An Empirical Analysis of Time Compression Diseconomies**Ashton Hawk, *Ohio State University*Gonçalo Pacheco de Almeida, *HEC-Paris*

We empirically investigate acceleration costs in technology transfer via an extension of Teece's (1977) early work on time-cost elasticities. Our dataset on the development of oil production facilities worldwide between 1997 and 2010 is similar to Teece (1977), but over 20 times larger. Our results contrast with previous studies. On average, the cost of accelerating technology transfer is negative: firms could have cut \$7.2 million in costs by developing projects one month faster. For 87% of our projects, time compression diseconomies are not binding. Industry-average technology transfer inefficiencies are significant: over 36% of project time and costs are unnecessary delays and overspending. Finally, we estimate the determinants of time-cost elasticities. Our findings reassess firms' capital allocation decisions and the role of time in Strategy theories.

## SESSION 118

**DIVESTITURES AND CONSOLIDATION**

<b>TRACK F</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Kopenick I/II
<b>Chair</b>	Kalin Kolev, <i>Marquette University</i>	

**★ Activist-Led Divestitures**Siwen Chen, *University of Pennsylvania*Emilie Feldman, *University of Pennsylvania*

This study analyzes how divestitures impelled by activist investors in their campaigns against public corporations affect shareholder value, relative to divestitures that are not impelled by activist investors. Using hand-collected data on nearly 3,500 divestitures undertaken by Fortune 500 companies between 2007 and 2014, we find that activist-led divestitures are more positively associated with immediate and long-term measures of shareholder value than their non-activist-led counterparts. These performance differences persist for over a year following the completion of these deals. Our results show how activist investors affect shareholder returns by shaping firms' divestiture decisions, elucidating the monitoring function that large shareholders can fulfill. Our work also sheds light on the phenomenon of activist investors and the ways in which these stakeholders might improve firms' corporate strategies.

**Women on Corporate Boards: Examining Their Impact on the Quantity and Quality of Divestitures**Kalin Kolev, *Marquette University*

We develop and test a theoretical model on the impact of female directors on corporate divestitures. Drawing on self-categorization theory and team diversity research, we posit that the presence of females in the boardroom leads to greater gender diversity that impacts directors' interactions, coordination, and decision making. In particular, this diversity decreases directors' cooperation, communication, and agreement that reduce the amount of divestitures; however, greater gender diversity in the boardroom increases critical thinking, broader consideration of alternatives, and comprehensive assessment of decisions that enhance the quality and performance of divestitures. Furthermore, we examine moderating conditions under which those effects are more likely to materialize. Overall, we find support for our model and show that female directors play a critical role in corporate divestitures.



## How CEO and CFO Regulatory Focus Interact to Shape the Firm's Corporate Strategy

Guoli Chen, *INSEAD*  
Philipp Meyer-Doyle, *INSEAD*  
Wei Shi, *Indiana University*

We examine how CEO and CFO regulatory focus interact to shape a firm's corporate strategy, including what happens in cases of misaligned CEO/CFO regulatory focus. Making use of micro-data on the promotion and prevention focus of CEOs/CFOs and on their firm's subsequent decisions to enlarge or consolidate the firm's corporate scope, we find that both CEOs' and CFOs' regulatory focus are important drivers of growth and consolidation, and that this impact is amplified if CEOs' and CFOs' regulatory focus align. Interesting, in cases of misalignment, we find that on average CEOs prevail, but that this effect depends on CEO power and on the favorability of analyst recommendations. Our study contributes to the literatures on how executive regulatory focus shapes strategy and on micro-foundations of strategy.

## Divestitures and Performance: The Signaling Role of Existing Blockholder Owners

Donald Bergh, *University of Denver*  
Kitty Chiu, *INSEAD*  
Enzo Peruffo, *LUISS Guido Carli University*  
Michael A. Hitt, *Texas A&M University and TCU*

Divestitures are typically determined internally and external parties usually have limited information when estimating how the action will affect the divesting firm's performance. Drawing from signaling theory, we argue that one group of outsiders—investors—will use the shareholdings of existing blockholder owners as a signal for sorting through the incomplete information surrounding divestitures. We hypothesize that investors will react to divestiture announcements more positively when stockholdings of blockholders are higher and that these reactions will be rewarded with higher post-divestiture performance. This argument is developed within settings that could exacerbate the limited information available to investors. Data from 147 divesting firms located in European Union countries mostly support the hypotheses and reveal insights into the boundaries and accuracy of blockholders as signals.

### SESSION 153

## KNOWLEDGE SOURCING AND FLOWS

<b>TRACK G, TRACK X</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Schinkel III

**Chair** Kazuhiro Asakawa, *Keio University*

## A Gravity Model of Knowledge Flows within Multinationals

Prithwiraj Choudhury, *Harvard University*  
Mike Teodorescu, *Harvard University*  
Tarun Khanna, *Harvard University*

We propose a gravitational model to study knowledge flows within multinational firms. We posit the MNC subsidiary being embedded in a gravitational field, experiencing dual gravity like forces from the headquarters and the host country and test our theoretical predictions using a hand collected dataset of U.S. patents filed by the top 25 patenting multinational firms. We find that the host country's influence onto the subsidiary's innovation direction grows with the size of the subsidiary faster than the influence of the corporate headquarters, suggesting that larger subsidiaries are more influenced by their host country.

## Close Together or Far Apart? The Geography of Host Country Knowledge Sourcing and Subsidiary Innovation

Alessandra Perri, *Ca' Foscari University of Venice*  
Grazia Santangelo, *University of Catania*

We investigate the influence of the geography of host country knowledge sources developing different types of knowledge on the quality and generality of a foreign subsidiary innovation. We suggest that the quality of subsidiary innovation is greater when more familiar knowledge is sourced in distant host country locations. We also argue that the generality of subsidiary innovation is greater when less familiar knowledge is sourced from not too distant host country locations, as the novel combination potential is limited when source and recipient are close together and codification becomes too complex when they are far apart. We test our arguments on a sample of US subsidiaries of the top European and Asian multinationals operating in the global semiconductor industry and find support for our arguments.

## Cross-Border Embeddedness and Global Knowledge Sourcing by Overseas Subsidiaries

Kazuhiro Asakawa, *Keio University*  
Yeon Jin Park, *Seoul National University*  
Jaeyong Song, *Seoul National University*  
Sangji Kim, *Samsung Economic Research Institute*

We investigate determinants of global knowledge sourcing of overseas R&D subsidiaries, shedding light on various types of cross-border embeddedness and their effects on global knowledge sourcing, a neglected topic in the literature on global innovation. Drawing on social capital theory, which assumes that embeddedness facilitates knowledge transfer, we examine the extent to which various types of global/ cross-border embeddedness – internal vs. external, vertical vs. horizontal, and administrative vs. knowledge – facilitate global knowledge sourcing of overseas R&D subsidiaries. We find that vertical administrative embeddedness inhibits global knowledge sourcing, while both vertical knowledge embeddedness and horizontal external embeddedness promote it. We also find that the positive impact of vertical knowledge embeddedness on global knowledge sourcing is weakened by vertical administrative embeddedness as a moderator.

## Engaging Local Experts At International Market Entry

Karl Brindlmayer, *WU-Vienna*  
Jan Hendrik Fisch, *WU-Vienna*  
Siggi Gudergan, *University of Newcastle*

Internationalizing firms (IFs) face difficulties in adapting home country business models to fit host country conditions, because they lack strategic information about host country conditions and are limited in deploying effectively their dynamic capabilities abroad. In response, IFs may engage host country experts (eg, consultants) to assist in refining their business models. In drawing on the dynamic capabilities view and information economics, this study explains how certain prior international experiences of the IF and access to strategic host country information assist in explaining when IFs engage local experts. Multilevel analysis drawing on a sample of 1,198 international market entries supports the hypothesized arguments.

## SESSION 176

**CSR AND POLITICAL CONNECTIONS**

<b>TRACK G</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Charlottenburg I
<b>Chair</b>	Michael Mol, <i>Copenhagen Business School</i>	

**Domestic Political Connections and International Expansion: Whether, Where and Why**

Laura Fernández-Méndez, *Comillas Pontifical University*  
 Esteban García-Canal, *University of Oviedo*  
 Mauro Guillen, *University of Pennsylvania*

The influence of firms' domestic political connections has been overlooked in the literature. Drawing on the resource-based and policy-environment views, we develop a theoretical framework to explain the effect of these connections on firms' location choice decision. We also delineate two boundary conditions arising from the firm's intangible assets and host country policy environment. We argue that domestic political connections are a source of political knowledge that can facilitate entry into foreign countries. We show that this knowledge will prompt more foreign investments for firms with valuable intangible assets and entering into countries with high policy instability. Using panel data on the domestic political connections of Spanish listed firms from 1986 to 2008, we find robust support for these hypotheses.

**Staying on the Right Side of the Line: Drivers of CSiR from Outsourcing and Offshoring**

SunHye Lee, *University of Warwick*  
 Michael Mol, *Copenhagen Business School*

We investigate what drives corporate social irresponsibility from outsourcing and offshoring, arguing that insights from institutional theory, around the visibility of a firm, and the attention-based view, particularly the idea that managerial attention towards CSR is beneficial, help us generate new insights. Three hypotheses are tested using a large database of media articles and the findings suggest that visibility is positive associated with the likelihood of perceived corporate social irresponsibility, as surprisingly is managerial attention (suggesting that prior irresponsibility drives attention rather than vice versa), while there is a negative interaction effect between these two variables. An important practical implication for firms struggling to prevent irresponsibility is that irresponsibility can be seen as a continuous 'battle' that managers fight between CSR expectations and managerial attention.

**Strategic Corporate Social Responsibility in Multinational Enterprises**

Christian Asmussen, *Copenhagen Business School*  
 Andrea Fosfuri, *Bocconi University*

How much should MNE headquarters invest in developing a global social brand? How does this investment vary with the international scope of the corporation? More generally, when and how can MNEs reap performance benefits from global orchestration of CSR? To answer these questions, we develop a game-theoretic model of strategic CSR in the context of a multinational firm. Based on this model, we analyze the complex interplay between different contingencies that determine the coordination and control challenges facing MNEs when they attempt to implement global CSR strategies, including the strength of brand spillovers, the risk of public scandals caused by unethical actions, the size of the MNE network, and the heterogeneity of the countries in which the MNE operates.

**The Role of Government Affairs Managers' Social Capital in the Development of MNEs' Political Capabilities**

Andrew Barron, *Toulouse Business School*  
 Asier Pereda, *ESADE Business School*

Focusing on Toyota and Hyundai in Europe, we adopt a microfoundations perspective to (1) explore how social capital influences the ability of MNEs through their Government Affairs Managers to develop political capabilities and (2) identify organisational factors that facilitate the efforts of GAMs to enhance their social capital. Our study contributes to existing research into the political actions of firms by unpacking corporate political strategizing at a more complex, human level. We contribute to literature on social capital by elucidating relationships between its structural, relational and cognitive dimensions and on its organizational antecedents and consequences in the domain of corporate political activity.

## SESSION 264

**MODULARITY IN FIRM AND INDUSTRY ARCHITECTURE**

<b>TRACK I</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Common Ground</b>	<b>Room</b>	King
<b>Facilitator</b>	Ronaldo Parente, <i>Florida International University</i>	

**Microdynamics of "Mirroring Hypothesis": When and How Organizational Structure Mirrors Product Architecture**

Mahdi Ebrahim, *Bocconi University*  
 Arnaldo Camuffo, *Bocconi University*

Organization literature arguably maintains that product architecture mirrors organizational structure that develops it. Nonetheless, recent studies demonstrate cases of mismatch between the two, wherein either isolated teams developed integral products, or alternatively, teams communicated closely while developing a nearly-decomposable product. Mismatches remarkably reduce the quality of developed product. Yet, the underlying mechanisms that lead to such undesirable observations are fairly understudied. To address the issue, micro-level collaboration data of programmers developing 12 versions of a commercial software over 60 months is investigated. The results demonstrate that type of mismatch is contingent on nature of the task accomplished, network position of developer who commits the task, and age of product lifecycle. Our findings contribute to organizational design literature by identifying dynamic contingencies of mirroring hypothesis.

**Modularization and Supplier-Buyer Integration's Role in Managing Complexity**

Yue Zhao, *Florida International University*  
 Ronaldo Parente, *Florida International University*  
 Lucas Wenger, *Florida International University*  
 Ivan Pineda, *Florida International University*

Global markets are becoming increasingly challenging because of the rapid changes in technology and heterogeneous customer expectations. In industries sensitive to rapid technological change, strategies for managing of complexity must be carefully deployed. Based on our study in the Brazilian automobile industry, we empirically examine two mechanisms used to manage complexity, product modularity and supplier-buyer integration. We argue that modularization and knowledge flow within and among organizations could impact performance in high complexity industries.



## Through the Looking Glass: Evidence from Architectural Change in the Hard Disk Drive Industry

Genjiro Kosaka, *Sophia University*

Studies related to the “mirroring hypothesis” found that in order to gain competitiveness, component manufacturers must acquire technological knowledge of the overall product architecture. However, how single-component manufacturers can acquire a broad knowledge base that extends beyond their areas of business has not been clarified. We conduct a case analysis of the hard disk drive (HDD) industry and investigate the R&D activities of the component-specialized manufacturing firms. We use patent data and focus on three levels of analysis: organization, group, and individual. The preliminary results of the analysis show that system-related architectural knowledge can be accumulated by a relatively small number of cross-sectoral engineers mediating different technological fields. Their characteristics are different from the “star” engineers and gatekeepers mentioned in the literature discussed.

## Architectural Evolution of Emerging Industries: Empirical Investigation of Pre-Commercialization Period of Solid-State Lighting Industry

Won Kyung Min, *Fordham University*

We study how technology evolves during the pre-commercialization period. Using the phenomenon of the emergence of solid-state lighting industry as our empirical context, we provide an empirical account of how the knowledge bases underlying an emerging technology system evolve from a modular to an integrated architecture, the pattern distinct from that of the post-commercialization period. At the backdrop of such pre-commercialization life cycle, two types of established organizations, incumbents and diversifying entrants, search across an emerging technology system. We hypothesize that diversifying entrants entering the pre-commercialization technology space will engage in more integrative search than will incumbent firms. The analysis with a sample of publicly held semiconductor and lighting firms support the hypothesis.

## The Firm's Knowledge Network and the Transfer of Advice among Corporate Inventors

Julia Brennecke, *Swinburne University of Technology*

Olaf Rank, *Albert Ludwigs University of Freiburg*

Knowledge networks linking knowledge elements and social networks linking inventors both play a critical role for innovation. Taking a multilevel network approach, this study integrates research on the two types of networks and investigates how the knowledge network of a firm influences work-related interactions among its inventors. We associate inventors with knowledge elements in the firm's knowledge network and examine how this association affects the inventors' popularity and activity in an interpersonal advice network. Empirically, we combine survey data on 135 inventors working in a high-tech firm with information derived from the firm's 1031 patents. Results from multilevel exponential random graph models show that different dimensions of the inventors' knowledge derived from the knowledge network shape their embeddedness in the advice network in unique ways.

## Firm Knowledge Structure and Its Impact on Product Innovation in the Lithium-ion Battery Industry

Sung Namkung, *Indiana University of Pennsylvania*

Simon Mueller, *Technical University of Munich*

This study investigates why and how the structural properties of a firm's knowledge network influence its product innovation. Building on recombinatory search, knowledge network, and product architecture literature, we develop arguments to explain how changes in a firm's knowledge network structure, as a whole, affect the types and quality of its product innovation. A longitudinal investigation of 43 global Lithium-ion Battery (LIB) cell manufacturers indicated that while firms with high level of centralization network structure are less likely to develop architecture innovation, firms with high level of dense network structure

are more likely to enhance the quality of innovation by developing more exploratory products. This study advances the burgeoning literature examining the role of the structural characteristics of knowledge network on firm innovation.

### SESSION 268

## STRUCTURE, COORDINATION, AND INNOVATION

### TRACK I

Date Monday, Sep 19

Time 11:00 – 12:15

### Paper

Room Lincke I/II

### Chair

Zdenek Necas, *Western University*

## Configurations of Vertical and Horizontal Coordination Mechanisms to Sustain Value Appropriation from Innovation

Giulia Solinas, *University of Liverpool*

The paper investigates how value appropriation from innovation derives from different constellations of horizontal and vertical coordination mechanisms. We build on innovation literature and organisational economics and use a fuzzy set theoretical methodology on a sample of 20 firms. We demonstrate how different combinations of centralisation of decision-making, cross-functional involvement and codification of information lead to high odds of obtaining grants on patents. Our most insightful finding is that we might observe value appropriation from innovation because of a heterogeneous bundle of vertical and horizontal mechanisms. Our findings contribute to bridging the complementary research streams on micro practices to appropriate value from innovation with the fast growing literature on R&D organisational structure.

## Many Leaders Make Innovative Work? The Pivotal Role of Employees' Knowledge Sharing and Polychronicity

Shiko M. Ben-Menahem, *ETH Zurich*

Fang He, *ETH Zurich*

Patrick Tinguely, *ETH Zurich*

Georg von Krogh, *ETH Zurich*

A central question for management scholars and practitioners is how leadership influences employee innovative behavior. Most prior studies approach this question by focusing on situations where a single leader manages multiple employees. However, modern organizations increasingly rely on complex matrix structures in which employees report to multiple leaders. This study takes a novel approach to understand the link between multiple leadership and employee innovation by investigating the effects of the number of leaders an employee reports to. Using survey data from a professional service firm, we find that the indirect effect of number of leaders on innovative behavior via knowledge sharing is moderated by polychronicity. In particular, the relationship between knowledge sharing and innovative behavior is stronger for employees with higher levels of polychronicity.

## The Effect of Hierarchy on Individual Ideation Performance

Zdenek Necas, *Western University*

I study experimentally how hierarchical distance between agent formulating a novel idea and manager in charge of the ideation process affect individual level ideation performance. Departing assumption for this study is that the structure of hierarchy, defined as layers of sequential authority, affects the individual level cognitive effort exerted towards the formulation of a novel idea. Using insights from cognitive psychology and ideation management literatures, my main argument is that the hierarchical distance is positively related to individual ideation performance measured in terms of the business quality of the idea and its marketability. I test my prediction using a within-subject experimental design.

## SESSION 239

**THE ROLE OF ACTION IN DYNAMIC CAPABILITIES RESEARCH**

<b>TRACK H, TRACK J</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Parallel Panel</b>	<b>Room</b>	Potsdam III

**The Role of Action In Dynamic Capabilities Research****Chairs**

Robert MacIntosh, *Heriot-Watt University*  
David Seidl, *University of Zurich*

**Panelists**

Teppo Felin, *University of Oxford*  
Constance Helfat, *Dartmouth College*  
Gerard P. Hodgkinson, *University of Warwick*  
Donald Maclean, *University of Glasgow*  
Jeffrey Martin, *University of Alabama*  
Patrick Regnér, *Stockholm School of Economics*

Dynamic capabilities research has recently turned attention to the role of behavior and action on the micro-level in bringing about firm-level dynamic capabilities. This has given rise to a diverse body of work, which includes studies on dynamic managerial capabilities, microfoundations, hot cognition, creative action and practical coping. Each of these approaches has mobilized its own set of theoretical resources and has focused on particular aspects of human action. The panel session gathers together leading figures from related but different streams of micro-based research. Collectively, panelists and audience, will engage, share, debate and develop a dialogue with a view to (a) enriching our shared understanding of the role of human action in DC theorizing and (b) initiating new inter-perspective research.

## SESSION 77

**TECHNOLOGY ENTREPRENEURSHIP AND INNOVATION**

<b>TRACK K, TRACK X</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Schinkel I/II

**Chair** Joonmahn Lee, *Purdue University*

**Are Founder CEOs Better Innovators? Evidence from S&P 500 Firms**

Joonmahn Lee, *Purdue University*  
Jongsoo Kim, *Purdue University*  
Joonhyung Bae, *Purdue University*

Using a novel dataset on founder CEOs in S&P 500 firms from 1993 to 2003, we investigate the relationship between founder CEOs and innovation. We find strong empirical support that a founder CEO is associated with greater innovation. As boundary conditions of the relationship, we find that the positive effect of founder CEOs on innovation is stronger in more competitive and innovative industries. Furthermore, our results suggest that founder CEOs are more likely to take their firms in a new technological direction. Finally, we provide evidence that the innovations of founder CEO-managed firms create more financial value than the innovations of professional CEO-managed firms. Our findings are particularly convincing because the results are consistent across various robustness checks that control for endogeneity concerns.

**Goal Setting for Breakthrough Innovation: Insights from a Corporate Research Lab**

Constantine Andriopoulos, *City University London*  
Manto Gotsi, *Cardiff University*  
Loizos Heracleous, *University of Warwick*  
Angeliki Papachroni, *Heriot-Watt University*

Despite accumulating research on critical components for discovering and commercializing breakthrough innovation, one substantive question looms large: How do goals enable or impede breakthrough innovation? We conduct a historical case study of a well-known corporate research lab and find that an intricate mix of learning and performance prove goals (specific, yet flexible and challenging learning goals interacting with specific and timely challenging performance prove goals) enables breakthrough innovation. Rather than partitioning these goals into distinct phases of the breakthrough innovation process, teams temporally alternate their attention between these goals, while facing different challenges in the journey from discovery to commercialization.

**The 'Innovate or Die' Myth**

Jérôme Barthelemy, *ESSEC Business School*  
Elisa Operti, *ESSEC Business School*

The performance implications of innovation in new ventures have attracted considerable interest among academics and practitioners. However, empirical research on the innovation—performance relationship shows controversial results. Based on French data describing the characteristics of entrepreneurs and their project, this paper studies the impact of innovation on the survival and growth of new firms. Our results help reconcile previous conflicting findings on the performance implications of innovation. Because innovation is inherently risky, we find that innovation has a negative impact on new firm survival. On the other hand, innovation has a positive effect on the growth of new firms that manage to survive.

**Open Innovation of Science-Based Entrepreneurial Firms**

Davide Hahn, *University of Bergamo*  
Tommaso Minola, *University of Bergamo*

Science-Based Entrepreneurial Firms are important actors of the knowledge society, as they warrant technological advancement and wealth creation. Their engagement in open innovation allows them to access to a broad knowledge base through external partners. However, the organizational determinants of search breadth by these firms have received scarce attention. While previous research in this domain mostly relies on knowledge- and capability-based arguments, we advance that Science-Based Entrepreneurial Firms' innovation strategy is also shaped by cognitive and motivational factors. By blending resource based view and the behavioral theory of the firm, we show that the academic embeddedness of these ventures positively affects their search breadth; and that such link is mediated by their strategic decision-making and non-pecuniary goals.



SESSION 112

MICROFOUNDATIONS OF STRATEGIC HUMAN CAPITAL

TRACK L, TRACK X	Date	Monday, Sep 19
	Time	11:00 – 12:15
Common Ground	Room	Bishop
Facilitator	Shad Morris, Brigham Young University	

(How) Do Microfoundations Matter?

Michael Leiblein, *Ohio State University*  
Barclay Burns, *University of Utah*  
Sheen S Levine, *University of Texas at Dallas*

Abstract: This proposal outlines an effort to better understand whether and how individual characteristics affect resource allocation, competitive heterogeneity, and advantage. We posit that if individual characteristics matter and theories of resource allocation, organization, & competitive advantage are correct then we should observe individuals making different choices on theoretically relevant constructs. The proposal describes two important forms of individual-level cognition and suggests how these forms of cognition are likely to be associated with behavior in a novel “resource-based” competitive game. Preliminary results suggest that both forms of cognition affect performance however they affect resource allocation and competitive decisions in different ways.

Internal Labor Markets and Organizational Outcomes: Integrating Microfoundations and Strategic Human Resource Management Perspectives

Anthony Nyberg, *University of South Carolina*  
Ingo Weller, *Ludwig Maximilians University of Munich*

Our theoretically driven propositions focus on the role of internal labor markets as an organizational tool that links individual human capital with organizational level outcomes and competitive standing. The propositions answer calls for bridging the micro-macro gap by providing specific links between human capital and organizational outcomes through focusing on internal labor markets.

Feedback and Productivity: Evidence from a Field Experiment

Amrou Awaysseh, *Indiana University*  
Rocio Bonet, *IE Business School*  
Jaime Ortega, *Carlos III University of Madrid*

In spite of the prevalent use of performance feedback as a practice to increase performance in organizations, evidence on the consequences of providing feedback to employees is inconclusive. Using a field experiment in a company, we find that performance feedback can increase productivity through two different mechanisms: by giving information about where one stands in terms of her own performance and consequently on her performance pay and by providing individuals with information that facilitates social comparisons in the firm. We also find that these effects depend on the relative standing of individuals in the organization, decreasing productivity when they fare poorly with respect to their peers. Finally, we find that there are substitution effects such that social comparisons undermine the positive effects of individual information.

Spatial Management

Dylan Minor, *Harvard University*

We study the effects of performance spillover---both positive and negative---on several dimensions, and find that is pervasive and decreasing in the physical distance between workers. We also find that workers have different strengths, and that while spillover is minimal for a worker when it occurs in an area of strength, the same worker can be greatly affected if the spillover occurs in her area of weakness. We find this feature allows for a symbiotic pairing of workers in physical space that can improve

performance by some 15%. Overall, physical space appears to be a resource that firms can use to enhance organizational performance.

Do Individuals and Teams Respond Differently to Co-located Competitors Under Different Contract Choices?

Francisco Brahm, *University of Cambridge*  
Marcos Singer, *Pontifical Catholic University of Chile*

We study how workers’ productivity responds to competitors’ productivity using micro-data from the shelf replenishment operations of two fiercely competing beverage firms. These two firms have opposite contracts with their workers. After addressing identification problems, we demonstrate that high monitoring with pay for performance induces the individual worker to increase its productivity in response to an increase in the productivity of the competitor’s individual worker, whereas low monitoring with a fixed wage induces teams to respond to the productivity of the competitor’s teams. These different responses to competitors have a first-order influence: they explain a substantial portion of the productivity difference between the firms. Our results highlight how contract choice and team versus individual production technology jointly shape rivalry among co-located competitors.

With Star Light or Star Might? How Teams with Multiple Stars Maximize Performance

Daniel Tzabbar, *Drexel University*  
Rebecca Kehoe, *Rutgers University*

We examine a theoretical dilemma associated with how managers can best leverage their most valuable human resources, as reflected by the presence of multiple stars, to improve performance. Using data from National Basketball Association (NBA) teams between the 1946-1947 and 2013-2014 seasons, we demonstrate that while team performance increases with more star members, their effects vary significantly – in surprising ways – such that the most significant positive influences of multiple stars emerge when non-star colleagues are provided with greater opportunities for involvement in and contribution to team efforts. This finding suggests that it is multiple stars’ positive influences on a team’s routines and through the mentoring of colleagues, rather than their exceptional individual productivity, that contributes best to their teams’ performance.

SESSION 206

INTRA-GROUP DYNAMICS WITHIN TMTS AND BOARDS

TRACK O	Date	Monday, Sep 19
	Time	11:00 – 12:15
Paper	Room	Tiergarten II
Chair	Anna Connors, Michigan State University	

Corporate Governance Reconsidered: Insights from Theory on Intergroup Dynamics

Margaret Luciano, *Arizona State University*  
Jennifer Nahrgang, *Arizona State University*  
Christine Shropshire, *Arizona State University*

We integrate insights from theory on intergroup dynamics and multiteam systems to improve our understanding of Top Management Teams (TMT) and Boards of Directors (BOD). We first explicate the natural interdependencies between these groups, drawing on the intergroup dynamics literature to examine the goal hierarchy and potential goal discordancy within the upper echelons. Beyond recognizing the inherent interdependency and superordinate goal alignment between the TMT and BOD, we propose a framework for group efforts and governance mechanisms that can better achieve intergroup coordination to improve firm performance.

## Guardians of the Previous Regime: CEO Succession, Post-succession Factional Groups and Firm Performance

Dimitrios Georgakakis, *University of St. Gallen*  
Tine Buyl, *Tilburg University*

How can new CEOs – as architects of the TMT – optimally shape TMT composition? We attend to this question by drawing on the notion of factional faultlines. We propose that moderate levels of TMT change after CEO succession can promote the emergence of factional faultlines between members hired after the new CEO's appointment and executives who had been a TMT member before CEO succession (as 'guardians of the previous regime'). Such faultiness lead to destructive TMT processes and, therefore, advance undesirable performance consequences. We also argue that this harmful effect of post-succession factional faultlines will be even stronger when: the new CEO is an outsider, incumbent executives share longer-term experience with the predecessor CEO and/or prior to succession the firm faced poor performance.

## Mapping Board Member's Actions: Influence of Board Identity Definition and Salience in Member's Identity

Sanjay Goel, *University of Minnesota*  
Dawn Harris, *Loyola University Chicago*

After decades of research boards of directors, doubts remain, conceptually and empirically, about whether boards (and board members) are actually inclined to perform their ascribed duties, or even have the motivation to do so. While there is recognition that we need to know more about actual board behavior and board member motivation and functioning, and bridge the micro (individual) and the macro (the board), models and frameworks that enable us to do so have not become part of the extant scholarly conversation. We contribute in this direction in this paper by integrating insights from identity theory, social identity theory, and organizational identification to develop a finer grained understanding of board-board member interaction and resultant board members' action tendencies.

## Reconsidering the Effect of Pay Disparity on Firm Performance: Structural Interdependence Within the TMT

Markus Ehrmann, *WHU—Otto Beisheim School of Management*  
Marko Reimer, *WHU—Otto Beisheim School of Management*  
Utz Schaeffer, *WHU—Otto Beisheim School of Management*

Studies of the effect of pay disparity on firm performance yielded mixed results. Two competing theories – tournament and social comparison theory – have been used in the past to predict opposing effects. Only recently, research gathered momentum to address this theoretical conundrum by proposing that a positive relationship motivated by tournament theory and a negative link explained by social comparison theory are supplementary in nature. We intend to contribute to this integrative literature stream by introducing structural interdependence as key contingency. We propose that different settings of structural interdependence shape the pay disparity-performance relationship. Moreover, we theorize non-linear effects in settings where high levels of pay disparity misdirect effort from competition to sabotage while low levels hamper social comparison processes, leading to decreasing performance.

## SESSION 222

### INNOVATING AT THE MICRO-FOUNDATIONS

#### TRACK P

Date Monday, Sep 19

Time 11:00 – 12:15

#### Common Ground

Room Knight

#### Facilitator

Alfonso Gambardella, *Bocconi University*

### Breakthroughs, One Small Idea at a Time

Goran Calic, *McMaster University*

Sebastien Helie, *Purdue University*

This study contributes to the behavioral theory of strategy. We propose that breakthrough innovations are more likely achieved by actors, and the organization composed of such individuals, engaging in incremental, rather than radical, creativity. This proposition is tested using a cognitively-plausible simulation of creative problem solving.

### Strategizing on Disruptive Technologies: Organizational and Managerial Determinants of Adaptive Response

Saeedeh Ahmadi, *Erasmus University-Rotterdam*

Saeed Khanagha, *Ericsson*

In this research we investigate how managerial cognitive processes and firm-specific factors influence the timing and intensity of investment decisions in an emerging technology. By involving 91 managers from manufacturing companies in an experimental setting, we first measured their reasoning style and strategy formation approach and then experimentally manipulated the capability gap caused by adoption of a new technology to evaluate how these factors influence their preferred timing and the intensity of investment on the new technology. Results confirm our hypotheses concerning an indirect effect based on which strategy formation preference mediates the relationship between reasoning styles of managers and the timing of investment. Moreover, we find evidence that capability gap reduces the intensity of investment, but does not show meaningful effects on the timing.

### ✦ Missed Chances, Unfulfilled Hopes: Sources of Errors in Technology Selection

Amit Kumar, *ESSEC Business School*

In this paper, we examine the sources of decision errors that firms make in selecting technological opportunities. We hypothesize that the organizational decision-makers are more likely to pay attention to the "cognitively proximate" opportunities, while ignoring or dismissing "cognitively dissonant" or "distant" opportunities despite their high value. Taking patent-renewal decisions as a proxy for opportunity-selection, we found support for our hypotheses that the decision-makers commit commission (type I) errors in selecting opportunities which arise at a firm's preexisting core and omission (type II) errors in selecting those which arise at the periphery. This paper contributes to attention-based view, within the broader streams of literature on managerial cognition and behavioral strategy, and proposes explanations for the failure of incumbent firm in leading technological disruptions.



## Staged Investments in Innovation: A Behavioral Perspective on Real Options and Portfolio Composition

Petra Andries, *Ghent University*

Paul Hünermund, *Centre for European Economic Research*

Building on real options literature and the behavioral theory of the firm, we investigate the impact of innovation project staging on firms' project portfolio composition, and the moderating effect of firm-performance in this respect. We argue that, when staging their innovation investments, both lower-performing and higher-performing firms delay project decisions. However, as lower-performing firms lack the resources to investigate a broad range of innovation opportunities in depth, they are more likely to initiate additional projects and abandon the least promising ones. Regression analyses using survey and credit rating data for 2,956 firms partially confirm our hypotheses. Our study contributes to theory in the area of strategic management, real options reasoning, and the behavioral theory of the firm, and has implications for firms' innovation strategy.

## How Much Do Individuals and Organizations Contribute to Innovation?

Ajay Bhaskarabhatla, *Erasmus University-Rotterdam*

Deepak Hegde, *New York University*

Thomas Peeters, *Erasmus University-Rotterdam*

We examine the extent to which organizations and individuals within them contribute to innovation. Using data on granted US patents issued to firms connected by inventor mobility and an identification method that exploits inventor movement across firms, we estimate the inventor- and firm-specific effects on innovation. Our results suggest that, controlling for several observables, the individual fixed effects collectively explain between one-quarter and one-third of the variation in innovation output, while firm fixed effects collectively explain only four to 15 percent. Individuals with higher inventive ability enjoy longer tenures with their employer and longer inventor careers. Furthermore, low ability firms tend to attract high ability inventors, indicating that recruiting is the key to promoting innovation at the average firm.

## Connecting Absorptive Capacity and the Individual: A Supervenience Model

Antonio Garzon Vico, *University College Dublin*

Jan Rosier, *University College Dublin*

Rashedur Chowdhury, *University College Dublin*

Researchers have deemed absorptive capacity to be disconnected from what constitutes its final causes and at risk of losing validity. This paper addresses these issues by employing research on cognitive science and supervenience to move toward an organizational conceptualization built on more individualist foundations. It proposes a conceptualization of individual absorptive capacity and connects it to the organization using supervenience.

### SESSION 226

## CEOS AND LEADERSHIP BEHAVIOR

<b>TRACK P</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Charlottenburg III
<b>Chair</b>	Kevin Gaughan, <i>Northwestern University</i>	

## CEOs' Career Path and Long-term Investments at their Last Career Stage

Chittima Silberzahn, *EMLYON Business School*

This paper incorporates CEOs' career paths to advance the knowledge about their long-term investment decisions at their last career stage. CEOs' career development, especially when considered at their longest

path, can reveal about CEOs' distinct personal characteristics, underlying their behaviors in reacting to the time limitation before retirement. We find that the intensity of previous employment mobility and external directorship can counterbalance the usual positive relationship between near-retirement CEOs' career horizon and long-term investments, and whether these experiences have occurred in a corporate group boundary matters. We test hypotheses on a sample of S&P1500 firms during 1999–2010. This paper contributes to CEO career horizon literature by integrating CEOs' individual factors and therefore providing more fine-grained understanding on their decisions at their last career stage.

## Better in the Shadows? Media Coverage and Market Reactions to Female CEO Appointments

Kevin Gaughan, *Northwestern University*

Combining media coverage data from more than 2,500 unique sources with the full population of CEO appointments in the United States between 2000 and 2014, we investigate whether female CEO appointments garner more attention compared to male appointments, and if so, whether this increased attention can help explain previously reported negative market reactions to these events. We demonstrate that greater media coverage contributes to negative market reactions for female CEO appointments but positive market reactions for male CEOs. Additionally, female CEO appointments that attract little attention garner significant positive responses in the market, compared to both high-coverage females and males drawing comparable, limited coverage. Our results help reconcile contrasting empirical findings on female executive leadership and parallel recent work on anticipatory bias in other contexts.

## Environmental Uncertainty and Firm Performance: Narcissistic CEOs Can Bear a Helping Hand

Ralf Meinhardt, *University of Erlangen-Nuremberg*

Sebastian Junge, *University of Erlangen-Nuremberg*

Uncertainty literature suggests that environmental circumstances were stable over the past years. However, CEOs often claim that they are facing increasing environmental uncertainty. We introduce a measure to capture a CEO's longitudinal perception of environmental uncertainty, measured on the basis of letter to shareholders between the years 2000 and 2014. Counterintuitively, and in line with objective measurement attempts, we detect a stable perception of environmental uncertainty by CEOs. Further, we show that a discrepancy between perceived and objective environmental uncertainty has a negative impact on firm performance. We find significant support when testing our theory on a sample comprising the S&P 500. Moreover, we reveal the personality dimension narcissism as being beneficial when an environmental uncertainty misperception exists.

## The Impact of CEO's Private Life Stress on Firm Performance

Ingo Kleindienst, *Aarhus University*

Denis Schweizer, *Concordia University*

Juliane Proelss, *Concordia University*

John Ulhoi, *Aarhus University*

Our paper scrutinizes the impact of CEO's private life stress on firm performance. We posit that a CEO's work performance is affected by what is happening in the respective CEO's private life. In particular, we focus on divorce, which has repeatedly been shown to represent an extremely stressful life transition, the consequences of which include lower levels of psychological and physiological well-being. We hypothesize that being an extreme stressful private life event a divorce will distract the CEO and negatively affect the CEO's ability to adequately perform the extremely complex task of navigating the firm. As a result, we expect negative consequences for firm performance. We test our theory on a sample of 122 hand-collected CEO divorces of listed firms in the U.S.

## SESSION 255

**TEACHING STRATEGY: LESSONS, PRINCIPLES AND FRAMEWORKS**

<b>TRACK T</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	11:00 – 12:15
<b>Common Ground</b>	<b>Room</b>	Queen
<b>Facilitator</b>	Sabine Baumann, <i>Jade University</i>	

**A Strategic Thinking Framework to Help “Complicate” Our Students’ Learning**Robert Wright, *Hong Kong Polytechnic University*

How can we help complicate our students’ understanding of real-world issues so that it opens their thinking to alternatives not contemplated before? This submission showcases my 7-year journey in how I developed a strategic thinking framework called “Staying F.O.C.U.S.E.D.” based on a survey of our entire business school in 2009. To evaluate its usefulness, I pilot-tested it as part of assessment in strategy courses taught to MBA and BBA students for 5 semesters. To validate the framework, I then surveyed 222 managers in 2014 and conducted card-sorting exercises with a further 80 managers in 2015. This pedagogical innovation has allowed my students to learn better, faster and more than they are used to, and in the process, better prepares them for a complicated world.

**A Temporal Perspective on Family Business Education**David King, *Iowa State University*Andreea Kiss, *Iowa State University*

As a family business crosses multiple generations, ownership is extended across a growing pool of relatives and different family branches. While maintaining a family connection across generations and increasingly diverse interests can become problematic, education can reinforce family identity and prepare successive generations to understand and manage wealth. However, the needs and means of education across different life stages remains fragmented. Interviews with family business educators situated at different points of the family education spectrum are combined with analysis of secondary data to identify the content, delivery, and outcomes of family business education across different life stages. The result underscores the need for a temporal perspective on family business education. Implications for research, education and family business are summarized.

**Applying The Three Way Interactive Method (3wim) Of Active Learning In An Mba Strategy Course**Sveinn Vidar Gudmundsson, *Toulouse Business School*

This article reports on the development of an active learning method used in the strategy core module of an MBA program. The method, termed the Three-Way-Interactive Method (3WIM), combines case preparation in teams, intensive discourse between teams, a decision-making routine, observation routine, a feedback routine, and reflection on both the individual and the team experience. The 3WIM method is student driven, so the lecturer takes on the role of a course designer (subject specialist) and process facilitator of the learning experience rather than a chief disseminator of knowledge. The 3WIM method has been fine-tuned through active use in strategy courses over 15 years with high satisfaction rate among learners.

**Are We Teaching Strategy Effectively to Undergraduate Students? Principles for Teaching Strategy to Neophytes**Duncan Duke, *Ithaca College*

This article examines how we currently teach strategic management to undergraduate business school students and questions whether our current methods are the best ones to generate durable learning. I raise questions about the ambiguity of the concept of strategy, the too-broad scope of strategy textbooks, the limitations of the case method for cementing learning that applies across different situations, the non-optimal use of business simulations, and the mis-specified parameters of most undergraduate strategy courses. I conclude by offering four principles to guide the development strategic management courses for undergraduates: (1) keep it simple, (2) use in-class simulations, (3) adapt the case method to undergraduates, and (4) use an excess of highly-relatable examples to overcome undergraduates’ low exposure to the business world.

**Big Lessons in Small Teaching**Timothy Hart, *University of Tulsa*

Effective teaching is a constantly moving target. What works in one section doesn’t work as well in another. Professors that want to improve their teaching face difficult decisions when considering what changes to make for an upcoming semester. Every change comes with a cost in time, energy and risk of failure. What if there was a way to get big teaching results from small improvements? Fortunately, there is. In his book *Small Teaching*, Professor James Lang identifies nine concepts that professors can use to make small changes and get big results. Strategy Professor Tim Hart has first-hand experience of applying these lessons in his strategy classes and shares what has worked for him and how you can put these lessons to work in your classes.

12:15 – 13:15  
**LUNCH**

SESSION 195

**CORPORATE STRATEGY: RETHINKING DIVERSIFICATION AND RESOURCE ALLOCATION**

TRACK A	Date	Monday, Sep 19
	Time	13:30 – 14:45
Paper	Room	Tiergarten II
Chair	Michael Leiblein, <i>Ohio State University</i>	

**Business-variant Vs. Business-invariant Corporate Effect: A Three-stage Multilevel Analysis**

Ghahhar Zavosh, *SKEMA Business School*  
Ludovic Dibiaggio, *SKEMA Business school*

Previous variance decomposition studies analyzed the extent to which industry, corporate, or business effects explain business performance. Our argument, however, is that these studies fail to account for the uneven impact of corporate decisions on subsidiaries. Consequently, these studies systematically underestimate corporate effects. Thus, in this paper, we consider that depending on the relative characteristics of a business unit compared to its sister businesses, it may receive different shares of corporate resources. Using a three-stage hierarchical linear model, we show that our proposed “business-variant corporate” effects are as important as the corporate fixed effects, which we connote as “business-invariant corporate effects”. We also find that corporations differ in the way they redistribute corporate resources among the subsidiaries and that they preserve this difference across time.

**Resource Allocation, Real Options, And Competitive Advantage: A Behavioral Approach**

Michael Leiblein, *Ohio State University*  
John Chen, *University of Florida*  
Hart Posen, *University of Wisconsin-Madison*

This paper develops a realistic real option theory of resource allocation decisions in strategic factor markets. We build on extant financial and managerial theories, recent work on real option theories of decision-making under uncertainty, and strategic factor market theories of competitive advantage. We observe that canonical real options theory assumes that markets are complete. Consequently, the decision-making challenges facing managers are trivial because spot markets provide objective information on which to base the option execution decision. Our theory, which relaxes the complete market assumption, emphasizes the importance of differences in information processing and belief updating across firms. Leveraging these insights, we argue that performance heterogeneity may arise because firms are differentially effective at executing real options in factor markets.

**Rethinking Firm Diversification: Insights from the Business Model Literature**

Niloofar Abolfathi, *Bocconi University*  
Charles Williams, *Bocconi University*

In this study we revisit a long-standing relationship in the strategic management literature: the inverted U-shaped curve between diversification and firm preference. We use a business model lens to study how firms grow through adoption of multiple business models. Our arguments are evolved around the boundary-spanning feature of the business models as well as the feedback loops inherent in them. We suggest two underlying mechanisms, centered on customer value, that lead to an inverted U-shaped relationship between firm growth and performance. Initially, rising numbers of business models in a firm increases the customer acquisition as firms identify and address a variety of customer needs, but these benefits diminish with adopting higher numbers of business models.

**Revisiting The Relationship Between Resource Slack and Firm Performance Under Strategic Change & Economic Conditions**

Frederick Bentley, *Rutgers University*

Whether and the extent to which firms should hold resources in excess of what is required to operate at a desired level, so-called resource slack, has been of a fundamental issue of interest among strategy scholars. Despite a rich literature on the slack-performance relationship, there remain fundamental questions regarding when and how resource slack leads to superior firm performance. Here, a model is presented in which the slack-performance relationship is examined under two contexts generalizable to most organizations—strategic change and the broader economic environment. Utilizing a sample of 9,363 U.S. banks, the results illustrate that the advantages associated with holding different types of resource slack, specifically financial and human resource slack, during periods of strategic change may become disadvantages in other contexts.

SESSION 62

**FOUNDATIONS OF COMPETITIVE ADVANTAGE**

TRACK E	Date	Monday, Sep 19
	Time	13:30 – 14:45
Common Ground	Room	Tiergarten III
Facilitator	Emily Cox Pahnke, <i>University of Washington</i>	

**An Evolutionary Resource-based Theory of Competitive Advantage**

J W Stoelhorst, *University of Amsterdam*  
Flore Bridoux, *University of Amsterdam*

Resource-based theorists have adopted a positional competitive advantage concept grounded in the equilibrium logic of price theory. We argue that this competitive advantage concept, by itself, is ill-suited to guide theory development in dynamic versions of resource-based theory, such as the dynamic capabilities view. We develop a complementary dynamic competitive advantage concept grounded in evolutionary logic and show how it contributes to a more rigorous, complete, and managerially relevant resource-based theory.

**Biased Specification of the Learning Curve and the Pursuit of Competitive Advantage**

Nile Hatch, *Brigham Young University*

Superior organizational learning is a documented path to multiple competitive advantages. Obtaining these advantages requires deliberate management of the learning process built upon a correct understanding of the learning curve. The traditional specification of the learning curve, a power function, is used in almost every case by academics and practitioners. Unfortunately, when there is unobserved history in the learning curve, the specification of the learning parameter is severely biased when the traditional specification is used. Without accurate predictions of the rate of learning, management of the learning process does not lead to competitive advantages. An alternate specification is shown to solve the bias and restore the path to competitive advantage.

**Bundles of Resources as the Building Blocks of Success: Resource Configurations and New Venture Performance**

Joanna Tochman Campbell, *University of Cincinnati*  
Emily Cox Pahnke, *University of Washington*  
David Sirmon, *University of Washington*  
Jennifer Rhymer, *University of Washington*

Foundational work on the resource-based view (RBV) discusses resources as bundles, or configurations. Yet, despite recent theoretical advances in recognizing managers’ role in bundling resources, empirical examinations of resources and their effects on firm competitiveness are thus far limited

MONDAY 13:30 – 14:45

to two-way interactions in a regression framework. In this study, we depart from the dominant paradigm to holistically examine firm resources as bundles composed of different types of financial, human, social, and organizational capital. We do so using fuzzy set qualitative comparative analysis in a new venture setting, studying resource configurations and their competitive outcomes on a population of startups in the minimally invasive surgical segment of the U.S. medical device industry. Our theory and findings bring novel insights to both the RBV and entrepreneurship literatures.

### Dynamic Capabilities and Competitive Advantages of Germany's and Britain's Mid-Cap Global Niche Champions

Alessa Witt

Chris Carr, *University of Edinburgh*

This study focuses on still under-research mid-cap firms, focusing on successful top three global niche market leaders from Germany and Britain. We examine the dynamic capabilities and underlying competitive advantages of 30 'Global Niche Champions' (GNCs) case studies, including CEO interviews in each country. Our theoretical approach extends Teece's (2014) dynamic capabilities paradigm by adopting an entrepreneurship perspective and further profiling more specific capabilities enjoyed by these global winners; by elaborating precise differences appropriate to German as opposed to more Anglo-Saxon contexts; and by further discriminating competitive advantages with more enduring successes. Our developed theoretical model, necessarily highlights a degree of evolution over time. Finally, it demonstrates more positive longer-term feedback loops in turn often impacted by historical 'critical incidents' inducing dramatic strategic changes.

### Factors Influencing the Relationship between Dynamic Capabilities and Business Performance: A Meta-Analytical Study

Richard Lynch, *Middlesex University*

Zhongqi Jin, *Middlesex University*

Raza Ali, *Middlesex University*

Following the early conceptual papers of Teece, Pisano and Shuen (1997), Eisenhardt and Martin (2000) and Zollo and Winter (2002) amongst others, there has been considerable scholarly interest in the strategic management concept of dynamic capabilities. Although there have been at least three bibliometric reviews of the topic, there has been no meta-analysis to the present of dynamic capabilities in relation to business performance. The purpose of our study is to undertake a meta-analytical study of existing papers to explore the gaps in both theory and practice that remain with regard to the boundary conditions and contingencies of this concept. We plan to present some preliminary results at the conference.

### Appropriation without Strategic Advantage?: Aversion Strategies of Doomsday Trigger, Price Matching, and Olive Branch

Jiulin Teng, *HEC Paris*

Bertrand Quelin, *HEC-Paris*

We introduce strategic manoeuvring as a moderator between strategic advantage and value appropriation by providing a game-theoretic explanation to how firms identical in resources and positioning, and thus without strategic advantage, appropriate value. We show that certain aversion strategies can avert price competition: Doomsday trigger sustains value appropriation with the threat of the most severe price competition. Price matching is its benign variation that is also renegotiation-proof. Olive branch substitutes threat with a credible commitment and relies on a form of correlation. These strategies reach or approach the minimax strategy which prescribes the highest payoffs in a cooperative yet competitive setting. They satisfy a set of qualities that govern the integrity of the free market and are therefore free from collusion.

## SESSION 124

### NEW DIRECTIONS IN DIVERSIFICATION RESEARCH

#### TRACK F

Date Monday, Sep 19

Time 13:30 – 14:45

Room King

#### Common Ground

#### Facilitator

Laszlo Tihanyi, *Texas A&M University*

### Adaptation on Multiple Landscapes: Relatedness, Complexity, and Dynamic Coordination Costs

Mo Chen, *University of Utah*

Aseem Kaul, *University of Minnesota*

Brian Wu, *University of Michigan*

We introduce and explore the concept of dynamic coordination costs, i.e. the reduction in a diversified firm's ability to adapt within its businesses resulting from the coordination of activities across them. Using a simulation-based approach, we show that these costs are highest at moderate levels of relatedness, where coordination across businesses imposes substantial rigidity, but provides limited benefits in terms of cross-business learning, with these effects being moderated by business complexity. We also show that diversifying entrants may have a short-term learning advantage in entering new markets, but suffer a long-term disadvantage due to greater rigidity. By considering the inter-temporal costs of coordination, our study speaks to work on organizational adaptation and strategic renewal, while also contributing to the corporate strategy literature.

### Firm and Industry Competition and Diversification

Grigorij Ljubownikow, *University of Auckland*

Siah Hwee Ang, *Victoria University of Wellington*

The influence of competition on diversification has received scant attention even though early theoretical explanations can be traced back to Penrosian ideas of diversification. We argue that there is a negative relationship between firm-specific competition and related diversification while the relationship is positive for unrelated diversification. Furthermore, we argue that these effects differ across industries characterized by different levels of industry competition. Analyzing a sample of UK manufacturing firms in the 1995–2007 period, we find support for these conjectures. These findings contribute to a more fine-grained understanding of how defensive diversification functions and towards reconciling conflicting findings from recent international strategy literature and the defensive diversification hypothesis.

### Temporal Boundary Conditions to the Diversification-Performance Relationship: A Meta-Analytical Review

Monika Schommer, *University of Liverpool*

Ansgar Richter, *University of Liverpool*

Amit Karna, *Indian Institute of Management Ahmedabad*

Extant literature suggests that corporate diversification has an inverted U-shaped relationship with firm performance. However, academic research has paid insufficient attention to the temporal shift in the nature of this relationship. We provide a meta-analysis of six decades worth of empirical literature on the diversification–performance relationship. Our analysis of 183 primary studies published between 1962 and 2015 reveals that the positive performance effects of related diversification have increased over time, whereas the negative performance effects of unrelated diversification have become weaker over time. Our study thus challenges the conventional wisdom of an “underlying” (time-invariant) inverted U-shaped relationship between diversification and firm performance. Our findings cast doubt on perspectives that view diversification, in particular at higher levels, as inherently detrimental to firm performance.



The Impact of External Financing Needs on the Corporate Manager’s Internal Capital Allocation Capability

Maximilian Sturm, *University of Muenster*  
Stephan Nuesch, *University of Zurich*

This study examines the effect of external financing needs on the corporate manager’s internal capital allocation efficiency and how changes in the organizational structure affect this association. Our results indicate that the need for external capital significantly decreases internal capital allocation inefficiency. The firm’s diversity and the business unit unrelatedness do not moderate the positive association between external financing needs and the capital allocation efficiency. These findings highlight the beneficial effects of external monitoring forces on the internal capital allocation process.

Reducible Complexity and Corporate Search

Andrew Boysen, *University of Pennsylvania*

In this paper, I introduce a concept of reducible complexity, through endogenous scope decisions. Complexity has typically been modeled as something to navigate through local and distant search. However, firm scope shapes realized complexity, and firms frequently vary their scope to reduce internal interdependence through focus, or achieve greater performance in expansion. To explore underlying mechanisms, I implement a variant of the NK model where firms face shifting weights on fixed interdependence, but adapt by exposing themselves to more or less complexity through scope expansion or reduction. While environmental change shifts the balance between local and distant search, the introduction of corporate search behaviors further alter the frequency and complementarity between search behaviors over time.

An Analysis of Social Aspiration, Option Pay Level and Pay Dispersion on Corporate Strategic Change

Elizabeth Lim, *Georgia State University*  
Jonathan O’Brien, *University of Nebraska*

Although performance feedback theory has been tested in numerous settings, its effect on corporate strategic change has received far less attention. We extend problemistic search to product diversification, showing this relationship depends on managerial incentives, and more importantly, showing it depends on types of option pay level and option pay dispersion. Our baseline hypotheses propose social comparisons during performance deteriorations increase total diversification, while total option pay positively moderates this relationship. Furthermore, drawing from theory of intertemporal preferences we argue CEO unexercisable options foster a long-term perspective that encourage diversification during performance declines whereas exercisable options engender short-termism that weakens diversification. Guided by social comparison theory, we suggest social comparisons during both unexercisable and exercisable option pay dispersions weaken diversification. Our hypotheses are strongly supported.

SESSION 89  
INCOME SHIFTING AND TRANSFER PRICING IN MNCS

TRACK G	Date	Monday, Sep 19
	Time	13:30 – 14:45
Parallel Panel	Room	Potsdam III

Income Shifting and Transfer Pricing in MNCs

Chair  
Sea-Jin Chang, *National University of Singapore*  
Panelists  
Richard Bolwijn, *UNCTAD*  
Lorraine Eden, *Texas A&M University*  
Steeff Huibregtse, *Transfer Pricing Associates*

Multinationals’ profit seeking often creates conflicts of interest with nation states, whose main goal is to protect citizen welfare. One particular stream of this tension concerns income shifting, often using transfer pricing mechanisms, as multinational firms likely engage in this practice to reduce worldwide corporate tax liability and maximize after-tax global profits, both to the potential detriment of home and host nations. Yet, there are not enough empirical evidences for income shifting and it is not clear whether and how nation states can deal with income shifting activities of multinational firms. This panel brings together strategy scholars and -practitioners to share the most up-to date empirical evidence and business practices to generate strategy and policy implications.

SESSION 183  
NEW PERSPECTIVES ON EMERGING MARKET FIRMS AND PERFORMANCE

TRACK G	Date	Monday, Sep 19
	Time	13:30 – 14:45
Common Ground	Room	Bishop
Facilitator	Vikas Kumar, <i>University of Sydney</i>	

Liability of Privateness/Foreignness and Foreign Listings of Emerging Economy Firms

Yangwen Wang, *Renmin University of China*  
Xufei Ma, *Chinese University of Hong Kong*  
Shige Makino, *Chinese University of Hong Kong*

This paper develops an institutional arbitrage perspective regarding the strategic drivers behind the foreign listing of emerging economy firms (EEFs). Drawing on an institution-based view of strategy and an agency perspective of government, we argue that a higher level of liability of privateness/foreignness, as reflected in the level of private/foreign ownership, makes EEFs more vulnerable to home government’s expropriation. As a result, they are more likely to foreign list in developed markets to gain additional investment protection. Using a sample of 195 Chinese firms listing during 2000–2011, we found incremental explanatory power of private/foreign ownership to conventional finance-based variables in predicting foreign listing. Furthermore, these effects were lessened in the presence of a politically-connected CEO, but strengthened with a higher level of subnational government intervention.

MONDAY 13:30 – 14:45

## The Role of Infrastructure Aid in the FDI Entry Decision in Developing and Emerging Economies

Olivier Bertrand, *SKEMA Business School*

Marie-Ann Betschinger, *University of Fribourg*

Factor markets and infrastructure are typically poorly developed in developing and emerging countries and pose challenges to foreign companies entering these economies. In this context we argue that home country governments can use targeted infrastructure project aid to support the international expansion of their home country firms. We empirically test the relation between the level of infrastructure project aid and the propensity of foreign firms to enter developing and emerging countries on a sample of 1,814 Japanese entries into 82 countries for the period 1991–2003. We find robust evidence that the level of infrastructure project aid commitments encourages the entry of Japanese investors. The effect is stronger for Japanese firms lacking financial resources and those firms that have a preferential access to the Japanese government.

## Immigrants and Firm Performance: Effects on Foreign Subsidiaries versus Foreign Entrepreneurial Firms

Elena Kulchina, *Duke University*

Prior studies have demonstrated that foreign firms co-locate with immigrants from their home countries, but whether this improves profitability is unclear. We show that co-national immigrant communities positively affect the performance of foreign firms, and that this effect depends on the type of firm (entrepreneurial venture or MNC subsidiary) and manager (foreign versus local). We found that without an immigrant community, a foreign CEO has a negative effect on the performance of foreign entrepreneurial firms. However, this effect becomes positive as the size of the immigrant community increases because entrepreneurial firms with foreign managers benefit more from their co-national communities than similar firms with local managers. Conversely, MNC subsidiaries derive equal benefits from co-locating with immigrants regardless of their CEO's nationality.

## Multinational Enterprises' Management of Sustainability Issues Across Distance

Hussain Rammal, *University of Technology Sydney*

Roger Burritt, *University of Kassel*

Stefan Schaltegger, *Leuphana University Lüneburg*

Katherine Christ, *Macquarie University*

When cross-border investment occurs MNEs responsible have a new mainstream consideration to add to the calculus – sustainability practices. About half Foreign Direct Investment is now made into developing economies where regulatory and normative policies about sustainability standards can be non-existent or at best designed to tick the right boxes. The proposal develops propositions associated the notion of sustainability distance, examines whether sustainability practices of MNEs vary between countries in which they operate, and the links with mode of entry and operational strategies.

## The Network Advantage of Multinationals and Business Groups and Foreign Subsidiary Performance

Deeksha Singh, *Rutgers University*

Chinmay Pattnaik, *University of Sydney*

Jeoung Yul Lee, *Hongik University*

Ajai Gaur, *Rutgers University*

Drawing on the literature on multinational corporations (MNCs) and business groups, we argue that the sources of multinational advantage and business group advantage complement each other in international contexts. More specifically, we examine the role of business group affiliation, inter-affiliate sales and strength of host market institutions on the survival and financial performance of foreign subsidiaries of MNCs. Our empirical findings, based on a sample of 6,017 foreign subsidiaries belonging to 281 MNCs from Korea during 1995 to 2013 provide robust support to our theoretical model.

## Location Strategy, Ownership Structure and Multinational Performance: Evidence from Emerging Economy Multinational Enterprises

Jinlong Gu, *University of Sussex*

Yong Yang, *University of Sussex*

Roger Strange, *University of Sussex*

This paper examines the multinationality-performance relationship in emerging market context, highlighting the importance of location decisions and ownership structure. We use panel data that include 2258 multinationals from 25 emerging economies in 2004–2013. We find a significant positive multinationality-performance relationship. This positive effect is greater (1) when investing in developed country rather than developing countries and (2) when this multinational firm is private owned rather than state owned. This indicates that emerging market firms can improve performance by investing abroad and better location choice is developed countries. Firms with different ownership structure should have different internationalisation strategies.

### SESSION 191

### AS TIME GOES BY

<b>TRACK H</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	13:30 – 14:45
<b>Paper</b>	<b>Room</b>	Tiergarten I
<b>Chair</b>	Dries Faems, <i>University of Groningen</i>	

## A Framework for Organizational Transition into Hybridity: A Case Study of a Nonprofit in India

Anjan Ghosh, *Indian Institute of Management—Calcutta*

Shahzad Ansari, *University of Cambridge*

Organizational attempts towards hybrid organizing have considerably increased across sectors. It is difficult for organizations in an institutionally legitimated form to defy institutional expectations and change their current form. While we have rich insights into the challenges confronted by organizations that are already hybrid, less attention has been paid to the process of transition towards hybridism. To examine how organizations navigate the challenge of going hybrid and how they convince their internal and external stakeholders for becoming hybrid, we draw on a two-year ethnography in an Indian nonprofit that transitioned towards hybridism. Our findings suggest a transition process consisting of incubation, structural separation and strategic integration and facilitated diffusion. We argue that this framework has relevance for other organizations under pressure to become hybrids.

## Growth Strategies in Medium-sized Companies—Beyond the Dichotomy of Organic versus Acquired Growth

Leona Achtenhagen, *Jonkoping University*

Olof Brunninge, *Jonkoping University*

Leif Melin, *Jonkoping University*

Current research commonly investigates two different growth strategies, organic growth and growth by acquisitions. Studies on acquisition-based growth typically draw on cross-sectional quantitative studies of large US-based firms, treating all types of acquisitions as one mode. Our study takes a different approach, and explores different growth strategies of a smaller sample of medium-sized companies drawing on a longitudinal, qualitative design. This research design allows us to identify eight different growth modes. Thereby, we illustrate that dynamic growth processes in medium-sized firms are much more diverse and complex than commonly assumed.



## Internationalization Choices of Emerging Market Firms: The Role of Initial Institutional Conditions

Krzysztof Obloj, *Kozminski University*

Mariola Ciszewska-Mlinaric, *Kozminski University*

Aleksandra Wasowska, *University of Warsaw*

The purpose of this paper is to broaden our understanding of internationalization process of firms founded in different institutional conditions i.e. under communist regime (before 1990), in transition period (1990–2003), and in the post-transition period (after 2004). We study three crucial aspects of the internationalization process – speed, direction, and degree of internationalization. We find support for the assertion that the external conditions at firm's birth influence the speed, direction, and degree of internationalization. Firms founded in the transition (1990–2003), or in post-transition phase (2004 and later) are more likely: (a) to make the decision about internationalization earlier in their life cycle, (b) to enter developed markets, and (c) to achieve higher degree of internationalization than firms founded under communist regime (before 1990).

## Strategic Agility in Large Organizations in the Digital Age: Towards a Theoretical Framework

Liem Nguyen, *Paris Dauphine University*

Stephanie Dameron, *Paris Dauphine University*

Nowadays, agility has become of central importance to the firm's competitive advantage in dynamic business environments. For large companies, reputed "slow" for their size and inertia, agility is vital to keep pace and respond effectively to discontinuous changes. While the concept of strategic agility has received growing attention among practitioners and scholars, there is still limited understanding on how it is managed in practice. Through a literature review of the concept, this paper explores a research framework which integrates technology and time dimensions and links the strategic agility construct to three theoretical management perspectives: strategic issue management, corporate change and ambidexterity, and strategy practice. This allows for a better understanding of how strategic agility can be achieved and opens up potential avenues for further research.

### SESSION 259

## EVALUATING PATENTS

<b>TRACK I</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	13:30 – 14:45
<b>Paper</b>	<b>Room</b>	Schinkel I/II
<b>Chair</b>	Kenneth Younge, <i>EPFL</i>	

## An Option-Theoretic View of the Patent-Secrecy Tradeoff: Evidence from a Quasi-Natural Experiment

Jiyoun Chung, *University of Illinois at Urbana-Champaign*

This paper examines how strategic options enable firms to hedge their bets under the patent-secrecy tradeoff. I employ a difference-in-differences design leveraging a plausibly exogenous change in U.S. patent law that resulted in earlier disclosure of inventions pursuing patent protection. I find that as the information about a technology is revealed sooner as a result of patenting, firms are more likely to buy the patent-secrecy dual option provided by a provisional patent application. Further, this effect is more pronounced for firms that are smaller in size. Finally, the dual option will be more valuable when the technology is novel to the world. This is consistent with classical real options theory that suggests greater uncertainty increases the option value.

## Forum Shopping and Firms' Legal Astuteness Capability: Evidence from European Patent System

Lucia Spicuzza, *University of Messina*

Fabrizio Cesaroni, *University of Messina*

Daniela Baglieri, *University of Messina*

Although international efforts to uniform the legal framework of intellectual property rights (IPR) systems, patent enforcement lacks uniformity. This paper examines forum shopping as a proactive IP strategy, which firms may deploy to exploit jurisdictional or venue rules to affect the outcome of lawsuits. We suggest forum shopping in IP management as a rent appropriation mechanism that firms with legal astuteness capability can exploit to increase their return on IP investments. By identifying lawsuits filed in EU Courts during the 2011–2015 period, we analyze a sample of 373 European firms. Findings reveal that while prior IP experience doesn't seem relevant, firms having i) a more focused patent portfolio, ii) greater patent litigation experience, and iii) a wider international coverage are more able to forum shop.

## Patent Citations: An Examination of the Data Generating Process

Jeffrey Kuhn, *UC Berkeley*

Kenneth Younge, *EPFL*

Existing measures of innovation often rely on patent citations to indicate intellectual lineage and impact. We show that the data generating process for patent citations has changed substantially since citation-based measures were originally validated. Today, far more citations are created per patent, and the mean technological similarity between citing and cited patents has fallen significantly. These changes suggest that the use of patent citations for scholarship needs to be re-validated. We develop a novel vector space model to examine the information content of patent citations, and show that methods for sub-setting and/or weighting informative citations can substantially improve the predictive power of patent citation measures. We make data for a basic correction available for future scholarship through the Patent Research Foundation.

### SESSION 244

## MATERIALITY IN STRATEGY PRACTICE AND RESEARCH

<b>TRACK J, TRACK X</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	13:30 – 14:45
<b>Paper</b>	<b>Room</b>	Kopenick III
<b>Chair</b>	Sotirios Paroutis, <i>University of Warwick</i>	

## The Visual Turn? Towards the use of Image in Strategy-as-Practice Research

David Stiles, *University of Canterbury*

This paper aims to do two things: First, it assesses the evidence for the emergence of a 'visual turn' in social and organisational sciences in general and Strategy-as-Practice (SP) in particular. Second, it presents the case for considering visual aspects in SP theory and methods. Neither aspect has been adequately addressed before, which is why this paper is important. A vignette illustrates the potential of focusing more directly on images, followed by suggested future directions for visualisation research in SP. An underlying motivation is that the more explicit use of images might help 'move the world' in the sense of connecting academics with people in practice, given that images are a form of 'common' discourse in everyday practice, but often overlooked by mainstream researchers.

## New Governing Practices at Headquarters—The mediating role of technology in performance management systems

Emma Stendahl, *Stockholm University*

Jan Löwstedt, *Stockholm University*

Developing and implementing governance practices such as performance management systems are considered fundamental in order to control subsidiaries' actions and secure overall MNC objectives. Given the fact that technology takes over many of the control responsibilities from hierarchy there is a need to examine what technology enables and hinders in the development of governance practices. Based on case study material, we found that the technological platform used played an integral role in mediating visibility, shared awareness and accountability in building blocks of social interaction. Emerging new rules and routines in the performance management practices were observed as a result of coherent discussions to monitor their foreign subsidiary unit performances, to engage in peer pressure and to conform to headquarters' conventions.

## Scenario Planning, Social Media and Serialization: A Blended Approach

Maureen Meadows, *Coventry University*

Frances O'Brien, *Warwick University*

Scenario planning captures multiple futures that an organisation may face. The scenario planning process is often participative and conducted in a workshop setting, requiring people to be physically present in order to participate. A variety of social media exist which allow people to interact with each other virtually. This paper explores the potential for social media, and in particular Twitter, to be used to support participation in, and serialization of, strategizing activity, by blending effective use of social media with face-to-face workshop activity. We reflect on the use of social media within a project to develop scenarios for the future of the food system around Birmingham. The paper considers the broader implications of these reflections for the scenario process.

## Bridging Routines as Tools of Strategy Practice – The Case of Post-acquisition Integration

Uma Urs, *Oxford Brookes University*

Duncan Angwin, *Lancaster University*

Merger and acquisition (M&A) transactions involve a chronology of activities right from the onset of M&A intent to completion of integration and realization of synergies. This paper aims to unpack the interim period of post acquisition integration – acquisition completion to integration completion and provide fine-grained analysis into strategy practices carried out during this period. Using organizational routines as unit of analysis, we present a new type of routines called bridging routines and show how skilful and creative deployment of these routines influences the acquisition outcome. Drawing upon nine integration cases across six firms, this paper shows creation and deployment of bridging routines that enable emergence of merged organization while allowing the two firms to function separately.

## SESSION 79

## CROWDFUNDING

### TRACK K

Date Monday, Sep 19

Time 13:30 – 14:45

### Paper

Room Charlottenburg III

### Chair

R. Scott Livengood, *Ohio State University*

## Crowd(funding) at the Gates? Toward a Gatekeeper Theory of Dual Value Creation in Entrepreneurial Finance

Claire Ingram, *Stockholm School of Economics*

R. Scott Livengood, *Ohio State University*

Providers of financial capital play an integral role in the entrepreneurial process: as gatekeepers. This means, on one hand, financiers provide capital to resource-constrained enterprises and make possible activities that otherwise would not occur. On the other hand, they also withhold funds from enterprises they deem unlikely to yield success and instead allocate resources to firms that appear to capitalize on promising opportunities in the marketplace. This theoretical paper explores this gatekeeper role and argues some resource providers are good at screening for economic value creation, while others are better suited to screening for social value creation. This gatekeeper model is then applied to a novel new source of financial capital—crowdfunding—which provides a novel context to explore the changing nature of entrepreneurial finance.

## Far from the Madding Crowd? The Impact of Endogenous and Exogenous Uncertainty on Crowdfunding-Platform Location

Gary Dushnitsky, *London Business School*

Evila Piva, *Polytechnic University of Milan*

Cristina Rossi Lamastra, *Polytechnic University of Milan*

Uncertainty characterises startups and constrains their access to capital. We argue a well-documented constraint – the practice of funding geographically proximate startups – should be studied as a trade-off between endogenous and exogenous uncertainty. Specifically, investors fund nearby startups because proximity enables monitoring. It mitigates endogenous uncertainty; namely, concerns of entrepreneurial opportunism. Another source of uncertainty is exogenous; uncertainty regarding demand that both investors and entrepreneurs face. Proximate investment can exacerbate exogenous uncertainty because it limits the number of investors thus hampering demand-validation. This trade-off is investigated within a new institution for entrepreneurial-finance; crowdfunding-platforms. Analysis of 539 crowdfunding-platforms across 214 European regions finds proximity alleviates endogenous uncertainty, yet exacerbates exogenous uncertainty. Interestingly, crowdfunding – a phenomenon originally touted as 'democratizing-access-to-capital' – features an important localized facet.

## Knowledge Signals and Investors' Funding Decisions: Evidence from Crowdfunding Ventures

Mark Packard, *University of Nevada, Reno*

Lin Jiang, *University of Missouri*

Prior research has examined various signals that entrepreneurs can use to reveal the quality of their ventures or themselves, thereby facilitating investors' funding decision. Building on this literature, we propose investors' perceptions of entrepreneurs' knowledge as an important signal that influences investors' funding intention. We develop and test hypotheses emphasizing two types of knowledge: entrepreneurs' demand-side knowledge of consumer needs and markets (i.e., needs knowledge) and supply-side knowledge of the technical aspects of production and management (i.e., technical knowledge). Our preliminary results reveal that overall, entrepreneurs' needs knowledge is a far more important signal than technical knowledge. Entrepreneurs' technical knowledge only influences funding intention of investors who have sufficient relevant expertise to evaluate the ventures. Moreover, we found the two signals to be complementary.



Categorization and Success of Crowdfunding Projects

Jonathan Sitruk, SKEMA Business School

This article focuses on crowdfunding determinants of success by using a novel approach and methodology. We use categorization theory as our theoretical framework that claims that success of organizations is linked to inner and outer categorical specification and our results bring support to three contentions surrounding this theory. We first suggest that clearly belonging to a category is associated with success. We also show that this is a concave relationship between the success and the amount of categories a project belongs to consistent with the idea of spanning categories. The study is based on 15,000 projects in the Music category presented on Indiegogo platform from 2009 to early 2015. The use novel semantic analysis methods to measure proximity of projects with musical genres

SESSION 102  
SOCIAL ENTREPRENEURSHIP

TRACK K	Date	Monday, Sep 19
	Time	13:30 – 14:45
Paper	Room	Lincke I/II
Chair	Yasemin Kor, University of Cambridge	

Scaling Social Impact – A Configurational Theory Approach

Christiana Weber, Leibniz University of Hannover  
Arne Kroeger, Leibniz University Hanover  
Hannes Leonardy, University of Hanover

This article investigates scaling strategies of social enterprises from seven European countries. We build on configurational theory and investigate how bundles of different success factors work together and have to be arranged as strategy when trying to scale a firms’ social impact. Using fuzzy-set qualitative comparative analysis we are able to demonstrate the importance of an equifinal view in (social) strategies. Our findings suggest eight different successful scaling strategies. Moreover, we demonstrate that independence from third parties and high amount of earned income can work both as hindering and as conducive components in a social enterprises’ strategy. Moreover, we show that a high replicability of a firm’s processes is not always needed for scaling social impact successfully while style of leadership seems to be central.

★ Social Entrepreneurship, Language, and Funding: Evidence from Tech Startups in Sub-Saharan Africa

Natalie Carlson, Columbia University

Social ventures, characterized by the “double bottom line” of profitability and social impact, have become an increasingly recognized model of entrepreneurship. Particularly in developing economies, in which economic growth in itself is often characterized as a social good, the line between social entrepreneurship and more traditional commercial entrepreneurship can be unclear. We investigate this tension by employing computational methods of text analysis on a sample of over 800 startups in sub-Saharan Africa. Using both supervised classification and topic modeling, we create measures of the degree to which each firm is oriented towards social impact based on their marketing language. We then examine the relationship between this orientation and funding outcomes. This analysis is supported by structured interviews conducted with entrepreneurs in Lagos, Nigeria.

The Evolution of an Organizational Imprint: Beyond the Founding Phase

Lien De Cuyper, Imperial College London

In this study we investigate how an early imprint of a venture changes and persists over time. We specifically look at how organizational members play a role in this. The findings are based on an inductive ethnographic study of a social venture. We find that social identities of organizational members are the mechanism that provides the analytical link between an

early imprint of a venture and its subsequent modification. The model we develop illuminates how the imprinting process is an ongoing, two-way interaction between the individual and the collective level. Our analysis shows that the initial blueprint of the venture attracts people with specific social identities, and that there is bottom-up involvement from organizational members on the imprint through three processes: projecting, sharing and contextualizing.

Human Capital Systems and Scalability in Social Entrepreneurship

Yasemin Kor, University of Cambridge  
Dawn Harris, Loyola University Chicago

A theory of human capital systems for social entrepreneurship is developed in this research paper. This theory recognizes the idiosyncratic challenges firms have in the social enterprise domain, and integrates these conditions and dilemmas into a theory that can address the specific needs of social ventures in terms of successful acquisition, development, and retention of human capital resources. In building our theory, we utilize insights gathered from four social ventures we studied: Solar Sister (Uganda), E-Health Point (India), Rags2Riches (Philippines), and Literacy Bridge (Ghana). We extend the human capital theory used in strategic management research and integrate insights from this theory with the insights from social enterprise and entrepreneurship, and hope to bridge the theory gap on human capital systems and social venture scalability.

SESSION 119  
TOP MANAGERS AS/AND HUMAN CAPITAL

TRACK L, TRACK X	Date	Monday, Sep 19
	Time	13:30 – 14:45
Common Ground	Room	Knight
Facilitator	Rebecca Kehoe, Rutgers University	

Preparing for Top Management Changes: The Relationship between Succession Planning Processes and Succession Outcomes

J. Yo-Jud Cheng, Harvard University  
Boris Groysberg, Harvard University

Much of what we know about CEO and other top management successions builds upon externally observable characteristics of the successions; however, the outcomes of top management successions are often the result of internal processes that begin long before the actual management change takes place. Empirical evidence on the use and efficacy of these practices is scarce. Using a granular dataset of succession planning practices used by firms, we explore the prevalence and adoption patterns of specific succession planning practices, and then examine the relationships between these practices and succession outcomes. We find that pre-succession career development processes and employee mobility programs are related to higher internal replacement rates and better preparation for unexpected successions.

Promoting Board Diversity: The Role of Search Firms in Finding and Integrating New Directors

Shelby Gai, Northwestern University

Corporations have struggled to fully utilize the benefits of external hires. Executive search firms may offer a solution; while they are best known for finding talent, they also play a vital role in integrating the job candidate into the client firm. Drawing on network theory and social identity theory, we analyze how executive search firms act as brokers between client firms and job candidates. They are network brokers that provide a pool of candidates with different backgrounds and experiences. Additionally, they are integrating brokers that actively recategorize the client’s perception of the final candidates- an effort that leads to better integration. We study this in the context of board diversity by examining how search firms help clients select and integrate diverse directors into existing boards.

## Stock Exchange Type and Outside Director Compensation: A Resource Dependence Perspective

Shamsud Chowdhury, *Dalhousie University*

Eric Wang, *Athabasca University*

In this research, we examine 1) whether firms commit to a relatively larger board size in order to graduate from one stock exchange to another, 2) whether such commitment leads to relatively less leverage in relation to the annual revenue, and 3) whether the duties and compensation of the directors change significantly following the graduation of their firms. We address these questions in a unique setting: The graduation of member firms from the S&P/TSX Venture Composite Index to the S&P/TSX Composite Index in Canada. Using data from the Toronto Stock Exchange for a six-year period (2005–2010), our preliminary analysis of 155 firms indicate that the graduating firms deploy relatively larger boards and pay higher average director compensation in relation to their annual revenue.

## Who Makes a Great Place to Work? Creating the Human Capital Resource of the Firm

Richard Smith, *Singapore Management University*

This proposal provides a research plan to uncover the linkages between the Chief Human Resource Officer (CHRO) and Top Management Team (TMT) heterogeneity with organizational outcomes of human capital resources. Drawing on the annual firm rankings over an 18-year period by the Great Place to Work Institute, we show a positive link between the role of the CHRO and great place to work ranking. We also expect to find a positive link between TMT age, gender, and tenure heterogeneity with being a great place to work. This study will be one of the first to shed light on the role of and impact of top management on a firm-level human capital outcome.

## Behind Chinese Female CEOs' Underpayment

Congying Wang, *University of Texas at Dallas*

Livia Markoczy, *University of Texas at Dallas*

We draw from the role incongruity theory and the resource-based theory to explore whether female CEOs are underpaid due to biases or are overpaid owing to their scarcity and to the unique resources that they can bring to firms. We investigate this issue in China and find that, consistent with the role incongruity theory, female CEOs are underpaid compared to male CEOs. We further explore how this effect is moderated by focal firms' exposure to market-based competition, as reflected in private-owned enterprises and in the degree of internationalization. We predict and find that task requirements from market-based competition amplify the need for leaders' skills and capabilities, mitigating the underpayment to female CEOs.

## The Evolution of the French CFOs along with the Increasing Financialization

Marie Redon, *Paris Dauphine University*

Toru Yoshikawa, *Singapore Management University*

Nicolas Berland, *Paris Dauphine University*

This study aims at investigating how the French CFOs' educational and professional backgrounds have evolved over time along with the increasing financialization. We attempt to show that the CFOs with finance and prestigious educational backgrounds as well as those with financial expertise have increased. Furthermore, we expect that the extent of the impact of financialization could vary by the firm size and listing status, and hence, that each appointment of CFO with certain backgrounds varies by the firm characteristics. Our preliminary results reveal that the educational background and the characteristics of the firm are not key factors. However, the evolution of the professional backgrounds of the French CFOs can lead us to think that they are key actors in the financialization of the organizational process.

## SESSION 163

## CSR LEADS TO MORE CSR, REPUTATION, AND PERFORMANCE

### TRACK M

Date Monday, Sep 19

Time 13:30 – 14:45

### Paper

Room Kopenick I/II

### Chair

Donald Lange, *Arizona State University*

## Downward Adjustments in Corporate Philanthropy Under Pressure: The Influence of Institutional Logics and Organizational Learning

Heli Wang, *Singapore Management University*

Weiping Liu, *Shanghai University of Finance & Economics*

This study examines the downward adjustments in corporate philanthropy (CP) practice after it has been adopted by Chinese firms. Due to the dominance of the market logic and relative lack of acceptance of social logic in China, perceptions on CP are ambiguous in the China context. Thus while some firms adopted CP practices, we expect they will revert back to the more dominant market logic by making a downward adjustment in CP when facing analysts' pressure for higher earnings. Further, building on a learning perspective, we argue that Chinese firms may resist making a downward adjustment in CP, to the extent they can obtain a deeper understanding of the social logic and CP, either by experiential learning or by vicarious learning through foreign exposure.

## The Role Of Environmental Munificence On The Impact Of Corporate Philanthropy On Reputation And Performance

Stelios Zyglidopoulos, *University of Glasgow*

Naomi Gardberg, *City University of New York*

We argue that the same philanthropic donation might be seen as generous in a resource poor environment but meager in a resource rich environment. In this paper, we investigate the impact that environmental munificence, conceptualized at the industry and country levels have on the signaling through corporate philanthropy. We hypothesize that industry and country munificence both attenuate the effect that corporate philanthropy has on corporate reputation and financial performance. We test our hypotheses by using longitudinal data from a number of sources.

## Does Firm Innovation Affect Corporate Social Responsibility?

Rui Shen, *Nanyang Technological University*

Yi Tang, *Hong Kong Polytechnic University*

Ying Zhang, *Erasmus University-Rotterdam*

This study examines the relationship between firm innovation and CSR. Stakeholders' concern over firm-specific investments exacerbates when firms engage heavily in innovation activities. To secure stakeholders' support, firms adopt CSR effectively as an ex ante signal of sustainability and goodwill. As CSR is endogenous to a firm's innovation activities, we rely on an instrumental variable (IV) approach to test our hypothesis. Using a sample of 3,315 U.S. publicly-listed firms from 2001 through 2011, we find that more innovative firms also engage more in CSR activities. This effect is stronger for firms of higher risk and/or operating in a less munificent environment. Additionally, firms with higher innovation reap greater financial benefits from their CSR activities.



Corporate Philanthropy and Customer Demand: Field Experiments on a Taxi Booking Platform

Jasjit Singh, *INSEAD*  
Nina Teng, *Harvard Kennedy School*  
Serguei Netessine, *INSEAD*

Companies often rely on philanthropic initiatives as a tool to boost customer demand. One popular form of such initiatives is charity-linked promotions. However, the effectiveness of such promotions remains under-studied, especially for online marketplaces where a substantial fraction of investor funds gets used on promotions meant to boost customer demand. We investigate this using field experiments using a leading online taxi booking platform in Asia. Take-up rates for charity-linked promotions were an order of magnitude smaller than for discount-based promotions, and also less sensitive to the amount involved. Although the promotional booking itself for both kinds of promotions was found to represent new demand rather than mere substitution of non-promotional bookings, there is little evidence of a further rise in subsequent demand in either case.

SESSION 91

ADVANCING THEORY AND EMPIRICS ON ALLIANCE TERMINATIONS

TRACK N	Date	Monday, Sep 19
	Time	13:30 – 14:45
Paper	Room	Charlottenburg II
Chair	Heidi Kruger, <i>ESADE Business School</i>	

Unhappy Endings? Exploring The Effect of Accidents Severity on Alliance Terminations

Leonardo Corbo, *Catholic University of Portugal*  
Jungwon Min, *Kyushu university*

In this article we examine how organizational crises triggered by accidents prompt alliance partners to maintain or discontinue an existing alliance with the firm experiencing the accident. The study also forwards the possibility that the severity of the accident impacts differently on alliance termination. Hypotheses are tested on a panel of global airlines over a period of thirteen years. These tests provide strong support for the role of accidents in affecting alliance evolution. More specifically, we find that major accidents will lead to alliance dissolution while the opposite holds true for minor accidents. We discuss the implications of our findings in the final section of the paper.

Alliance Exit: Mapping Determinants, Outcomes and Implications

Heidi Kruger, *ESADE Business School*

This study takes stock of the existing knowledge on strategic alliance termination. We focus our efforts on research looking at the death of alliance agreements and untangle findings from literature on alliance performance and stability. We review research on the determinants, outcomes and implications of strategic alliance breakup and suggest a connection across these phases of exit. We develop a framework of the determinants of strategic alliance exit and extend Das and Teng's (2000) classification of the types of alliance termination. We find limited knowledge on exit implications and the exit process and propose these dimensions as promising paths for investigation. We aim to guide future research through the complexity of alliance exit by providing a map of current knowledge and direction forward.

Saying Goodbye: Internal and External R&D Moves and Alliance Termination Decisions

Thomas Klueter, *IESE Business School*  
Anindya Ghosh, *Indian School of Business*

In this paper we shed light on alliance terminations, a phenomena which has received little attention, especially when compared to the breadth of studies investigating alliance formation. We examine alliance terminations decisions through the conceptual lens of a resource allocation problem and consider the effect of competing R&D activities, which can be initiated internally or through alternative external partnerships. We engage in an exploratory testing of these factors in the context of the global pharmaceutical industry, which allows us to disentangle the underlying knowledge embedded within an alliances from the general knowledge available to partnering firms. Examining 315 alliances initiated between 1995 to 1999 we find systematic evidence of how concomitant R&D activities (internal and external) shape alliance termination decisions.

A Network Embeddedness Model of Interpartner Competition and Alliance Failure

Han Jiang, *University of Arizona*  
Ting Xiao, *Peking University*  
Laura Poppo, *University of Kansas*

This study highlights a theoretical dilemma about the paradoxical implications of interpartner competition for alliance failure. That is, indicating both the potential value of an alliance and the conflict of interests between partners, interpartner competition may both encourage the partners to stabilize their alliance and jeopardize this alliance. We draw on the network embeddedness perspective to resolve this dilemma. By highlighting the relational embeddedness implications of high interpartner competition, we find that interpartner competition has a curvilinear (inverted U-shaped) effect on alliance failure. This effect of interpartner competition will be further contingent upon the positional, structural and social embeddedness forces in the industrial network. Evidence from equity-based alliances between Chinese public firms largely supports our predictions.

SESSION 211

EXECUTIVE SELECTION AND DEPARTURE

TRACK O	Date	Monday, Sep 19
	Time	13:30 – 14:45
Paper	Room	Charlottenburg I
Chair	Jean McGuire, <i>Louisiana State University</i>	

Why Quit Now? Examining the Antecedents of CEO Voluntary Turnover

Robert Campbell, *University of Georgia*  
Timothy Hubbard, *University of Georgia*  
Scott Graffin, *University of Georgia*

Scholarly research on executive turnover has primarily focused on CEO dismissal. While this research has advanced our understanding of the executive succession process, it has remained silent on arguably the most common form of CEO turnover—voluntary turnover. In this proposal, we draw on prior research that suggests that job characteristics are significant predictors of voluntary turnover to identify three antecedents of CEO voluntary turnover—managerial discretion, COO presence, and shareholder activism. We develop theory relating each antecedent to voluntary turnover and lay out plans for testing our hypotheses.

## You're The One That We Want: Director Objectivity Following CEO Selection

Michelle Zorn, *Auburn University*  
Kaitlyn DeGhetto, *University of Colorado, Colorado Springs*  
James Combs, *University of Central Florida*  
Jihwan Hwang, *Auburn University*

Corporate governance research often assumes that directors appointed by the CEO are less objective because they feel a sense of obligation to the CEO. Yet, empirical findings are inconsistent and research in psychology suggests the opposite — being involved in a decision biases people toward viewing their choice in a positive light to justify the decision to themselves and others. Accordingly, we theorize that, in contrast to extant theory, directors who are involved in CEO selection exhibit biases that compromise future monitoring. Our empirical examination of a 10-year panel of S&P 1500 firms supports our theory. Specifically, directors responsible for CEO selection exhibit weakened governance, as evidenced by less performance-contingent compensation, less CEO ownership, and lower firm value.

## You are Fired! The Likelihood of CEO Dismissal Following a Loss in Firm Status

Seok-Hyun Hwang, *Northwestern University*  
Ithai Stern, *INSEAD*

We analyze how a firm's loss of status affects the likelihood of CEO dismissal. Given directors' concern for their own status, and considering that firm-level status loss may cause directors' own status to deflate, we argue that when a firm loses status, its directors will have a greater likelihood of dismissing their CEO, independently of the firm's financial performance. Moreover, we suggest that the effects of a firm's status loss decreases as the number of peer firms experiencing the same status loss increases, and when a CEO-director is present on the board. Using a matched sample of S&P 500 firms between 1997 and 2012, we find support for our hypotheses.

## Unlocking The Benefits Of The Boardroom: Implications In The CEO Labor Market

Abbie Oliver, *University of Georgia*  
Michael Withers, *Texas A&M University*  
Scott Graffin, *University of Georgia*  
Steven Boivie, *Texas A&M University*

In this study, we examine the question: what assists potential executives in "winning" in the CEO labor market? Potential CEOs are tasked with signaling their value with firms seeking CEOs in an information-poor context. To advance theory and research concerning the mechanisms at play in the executive labor market, we propose that prior board service, as a signal of human and social capital, influences specific outcomes for a first-time CEO in terms of 1) where they land (size and performance of firm), 2) how they are rewarded (compensation), and 3) early-stage outcomes (probability of dismissal). Our preliminary findings provide support for our theory and contribute to our understanding of the determinants of suitable matches in the CEO labor market.

## SESSION 216

## STAKEHOLDER THEORY MEETS BEHAVIORAL THEORY

### TRACK M, TRACK P

<b>Date</b>	Monday, Sep 19
<b>Time</b>	13:30 – 14:45
<b>Room</b>	Schinkel III

### Paper

**Chair** Andrea Caldwell, *University of Texas at Austin*

## An Approach to Stakeholder Theory Based on Behavioural Economics

Jose-Luis Godos-Diez, *University of León*  
Roberto Fernández Gago, *University of León*  
Laura Cabeza-García, *University of León*

Using a sample of undergraduate students, this research contributes to stakeholder theory by including psychology and, more specifically, the social preferences covered in behavioural economics. The results of the questionnaire used and of the two social experiments performed (ultimatum and dictator) show that the presence of a strategic component when decisions are made is positively linked to an instrumental approach towards stakeholders. In addition, a greater desire for fairness in the decision-making process corresponds to a more normative approach.

## An Attention-Based View of Stakeholder Orientation

Andrea Caldwell, *University of Texas at Austin*

When asked if their firm considers the interests of its non-shareholder stakeholders (e.g., employees, suppliers, customers) as well as shareholders, few (if any) CEOs would deny the importance of any of these groups. Yet the level of attention directed at each group appears to vary even among publicly-traded organizations that all face relentless quarterly pressure to generate shareholder returns. Applying the elements of Ocasio's (1997) model of situated attention and firm behavior, I argue that a firm's stakeholder orientation is largely determined by the factors that direct the attention of the firm (and its leadership) towards each stakeholder group. I also introduce the concept of a stakeholder "shock" in considering how a particular stakeholder group may attempt to capture (and keep) a firm's attention.

## Making Sense of Sustainability Issues: The Role of Cognitive Structural Alignment and Enterprise Logic

Benedicte Deryckere, *Grenoble School of Management*

Why are firms operating in the same context and confronted with the same external pressure reacting differently to sustainability related issues? To address this longstanding question, this research adopts a managerial cognitive perspective on corporate sustainability and explores the reasoning mechanism by which top managers interpret sustainability issues and take actions. We find that top managers' conceptualization of their firm's relationship with society—the enterprise logic—and the degree to which a manager cognitively aligns a sustainability issue with his/her enterprise logic plays a role in interpreting a sustainability issue as an opportunity versus a threat, thereby impacting the type of actions taken.



If You Got It, Flaunt It: A Framework of Corporate Flaunting and Stakeholder Evaluation

A. Erin Bass, *University of Nebraska-Omaha*  
Varkey Titus, *University of Nebraska-Lincoln*  
Ivana Milosevic, *University of Wisconsin—Oshkosh*

Despite advances in understanding firm behaviors that contribute to impression management, a seeming overlooked area encompasses those behaviors that are meant to proactively display the wealth, success, and resource base of the firm. We term these displays “corporate flaunting”, which are symbolic behaviors of impression management used to create, maintain, or protect an organizational image of success. We adopt a sociocognitive approach to argue that stakeholders differently evaluate the organizational image invoked by corporate flaunting. To this end, we create a framework that elucidates the relationship between corporate flaunting, organizational image, and stakeholders’ evaluations, and suggest that these evaluations are in part influenced by the relationship between the stakeholder and the focal firm.

SESSION 228  
LEARNING BEHAVIORS

TRACK P	Date	Monday, Sep 19
	Time	13:30 – 14:45
Paper	Room	Tegel
Chair	Beverly Tyler, <i>North Carolina State University</i>	

Under a Magnifying Glass: Understanding the Microfoundations of Organizational Learning

Giada Di Stefano, *HEC-Paris*  
Francesca Gino, *Harvard University*  
Gary Pisano, *Harvard University*  
Bradley Staats, *University of North Carolina at Chapel Hill*

How do organizations learn? In this paper we build on research on the microfoundations of strategy and learning processes to study the individual underpinnings of organizational learning. We argue that, once an individual has accumulated a certain amount of experience with a task, the benefit of accumulating additional experience is inferior to the benefit of deliberately articulating and codifying the experience accumulated in the past. We explain the superior performance outcomes associated to such deliberate learning efforts using both a cognitive and an emotional mechanism. We study the proposed framework with an experimental design that combines the relevance of a field experiment with the precision of two laboratory experiments. Our results support the proposed framework and bear important implications from both theory and practice.

Organizational Learning in Rare Events: The Case of Learning to Litigate Intellectual Property (IP)

Kristina Vaarst Andersen, *Copenhagen Business School*  
Karin Beukel, *University of Copenhagen*  
Beverly Tyler, *North Carolina State University*

In this paper we build a theoretical framework for understanding whether and how firms learn from the rare event of litigating intellectual property cases. We draw on literature on organizational learning from rare events and examine the conditions under which firms can learn from rare events. We find that, when plaintiffs in IP litigation receive quick and clear positive feedback, this helps focus their attention on litigation feedback and motivates them to allocate resources that enhance learning. We explore the moderating effect of case type, finding that organizational learning is most applicable in cases without contractual constraints. In the setting studied, the learning effect of previous successes is contingent on case type, being less useful when firms litigate based on breach of contract.

Expertise and Strategy

Elizabeth Maitland, *University of New South Wales*  
Andre Sammartino, *University of Melbourne*

We investigate the nature of strategy expertise. Individuals use different types of schemas to make sense of a strategy decision, with some more effective, and thus expert, in discerning a performance landscape’s critical structural relationships. We argue differences in expertise stem from individuals learning through experience, with a key role for repeated engagement with novel decision contexts. We investigate executive judgment in situ, revealing considerable diversity in the schemas applied by the senior managers and board members of a resources firm as they assessed an acquisition opportunity, and strong links to experience along multiple dimensions. These findings point to individual-level expertise as a possible microfoundation for firm-level capabilities in strategic decision making. Individual strategy expertise may also inform TMT composition and warrant executive remuneration premia.

Managerial Learning from Others and the Growth of New Ventures in an Emerging Industry

Pao-Lien Chen, *National Tsing Hua University*

Apart from learning by doing, learning from others represents an important mechanism through which managers accumulate managerial and entrepreneurial knowledge, subsequently new ventures prosper. The paper examined how managerial learning from others within an emerging industry affects new venture performance, and proposed the effect should vary with “what” the managers can learn from others and the contexts for learning—when and where the learning occurs. Evidence from the early years of cellular phone service industry in the US suggests that managerial learning from others contributed more to ventures’ growth in subscribers when (1) managers are learning from others with intra-industry operational experience, as opposed to those with only strategic experience, (2) the ventures are younger, and (3) the ventures are startups, as opposed to diversifying entrants.

SESSION 296  
REFINING MEASURES

TRACK R	Date	Monday, Sep 19
	Time	13:30 – 14:45
Common Ground	Room	Queen
Facilitator	Brian Boyd, <i>City University of Hong Kong</i>	

Addressing Replication and Model Uncertainty: A Bayesian Averaging Approach Applied to Innovation Survey Data

Keld Laursen, *Copenhagen Business School*  
Bernd Ebersberger, *Management Center Innsbruck*  
Ammon Salter, *University of Bath*  
Fabrice Galia, *Burgundy School of Business—Dijon—Paris*

Many fields of strategic management are subject to an important degree of model uncertainty. This is because the true model, and therefore the selection of appropriate explanatory variables, is essentially unknown. Drawing on the literature on the determinants of innovation, and by analyzing innovation survey data for France, Germany and the UK, we conduct a ‘large-scale’ replication using the Bayesian averaging approach of classical estimators. Our method tests a wide range of determinants of innovation suggested in the literature, and establishes a robust set of findings on the variables which shape the introduction of new to the firm and new to the world innovations. We provide some implications for innovation research, and explore the potential application of our approach to other domains within strategic management.

## Cross-National Distance Measures: Distance versus Proximity

Santiago Mingo, *Adolfo Ibáñez University*  
 Belen Parada, *Adolfo Ibáñez University*  
 Bernardita Manasevich, *Adolfo Ibáñez University*

The idea that cross-national distances can have an impact on firm behavior and performance is a central issue in the field of international business. Literature using different types of cross-national distance measures—for example, cultural distance, institutional distance, and geographic distance—is abundant. Despite the interest, scholars have not paid much attention to the actual way used to compute cross-national distance measures. In this research, we propose an alternative way to measure distance through the use of a proximity construct. Our empirical illustration shows that empirical results based on cross-national distance measures can depend on the actual procedure used to calculate distance. This study shows the importance of considering different ways of computing distance in order to check the robustness of empirical findings.

## Measuring Uniqueness in Corporate Strategy: A Text-Based Approach

Sheewon Park, *Washington University in St. Louis*

The fundamental tenet in strategic management literature is rooted in the value of unique strategies. Nevertheless, the problem at the hinge of woes of empirical strategy researchers is the following: there is just not a good way to measure the uniqueness of a firm's strategy. A new text-based measure of firm corporate strategy uniqueness is proposed. This measure is constructed from textual comparison between firms, using the firms' 10-K filings as the prime textual source of information about a firm's corporate strategy. Thus, the main contribution of this proposed study is opening up many avenues in strategy research that have not been previously possible due to lack of a good measure, by means of introducing and validating the novel measure of firm strategy uniqueness.

## When Relatedness Flies under the Measurement Radar

Dong Huo, *Nanjing University*

We identify a limitation of category-based indices such as cosine index, Herfindahl index, entropy index, and Euclidean distance: the unmeasured relatedness among related categories makes the indices suffer from measurement errors that may drive empirical tests to inconsistent predictions. We propose a generalized solution by employing the concept of metric tensor from linear algebra. We also prove that the concentric index and resource-based index proposed in literature follow a similar adjusting approach, providing a rigid mathematical support that has been overlooked in literature. Further, we provide two empirical examples for cosine index and Herfindahl index, respectively. The adjusted measures prove to be significant in predicting non-linear effects that may not manifest under the unadjusted measures. Finally, the application strategy of the adjusted measures is discussed.

## The Long March: The Quest for Valid Text-based Indicators of Firms' Exploration and Exploitation

Rene Belderbos, *University of Leuven*  
 Stijn Kelchtermans, *University of Leuven*  
 Nazlihan Ugur Cevikarslan, *University of Leuven*

Recent studies on firms' ambidexterity strategies have used computer aided text analysis (CATA) to construct measures firms' inclination toward exploration or exploitation, using the original keywords proposed by March. We specify a series of tests to assess the validity of CATA based measures and demonstrate that this approach is unlikely to deliver valid indicators. We highlight the shortcomings of the set of March keywords, the importance of sampling validity and the possible confounding effects of media coverage. We suggest an alternative and valid method to build text-based indicators starting from an inductive analysis of keywords in the body of text. Our study contributes to the scarce literature on construct validity and has broader implications for the development of CATA based indicators in strategic management research.



SESSION 282

FIRM POLITICAL AND INSTITUTIONAL INTERVENTION

TRACK B	Date	Monday, Sep 19
	Time	15:00 – 16:15
Paper	Room	Kopenick III
Chair	Timothy Werner, University of Texas at Austin	

In Defense of Banking Secrecy: Defense Work and its Consequences for Deinstitutionalization

Emmanuelle Reuter, University of St. Gallen  
Florian Ueberbacher, University of St. Gallen

Defensive institutional work – the purposive action of incumbent individuals and organizations aimed at countering system threats – is an ubiquitous response of actors to maintain stability in institutional fields. Yet, little research has examined consequences of defensive institutional work. This study of institutional proponents’ defense work in response to institutional challengers’ attacks on the legitimacy of a contested business practice develops a process model of what follows defensive work. We show that institutional guardians’ defensive work may carry the seeds of its own demise. Under some circumstances, guardians’ defensive work can trigger incumbent firms’ transgression of challengers’ demands, which in turn leads to the escalation of the conflict between challengers and incumbents, and may eventually break incumbents’ defensive work.

On-again, Off-again: Corporate Political Actions between Government and Governance in Transition Economies

Tao Wang, Grenoble School of Management  
Maggie Mei, Grenoble School of Management

This paper addresses the loose connection between government and governance and identifies the contingencies under which the connection facilitates or hinders corporate political actions. Specifically, we examine whether and when firms are more likely to engage in active and passive political actions simultaneously in the private sector of transition economies. Drawing on resource based view, resource dependence theory and institutional theory we argue that the nature of firms – being reformed or conventional – will affect their propensity of political actions in transition economies. This relationship is moderated by whether firms adopt modern governance measures and internalize political convictions. We test hypotheses using a unique firm-level survey dataset on nationwide samples of privately owned firms in China in 2006. Results lend substantial support to hypotheses.

Tactical Arbitrage: Defensive Shifts in Corporate Political Strategy after a Reputational Threat

Mary-Hunter McDonnell, University of Pennsylvania  
Timothy Werner, University of Texas at Austin

This paper explores how social activist challenges affect corporations’ strategic deployment of their nonmarket strategic repertoire. Prior work demonstrates that activist challenges provoke a reputational threat for firms and disrupt the willingness of politicians to publicly associate through conventional tactics like campaign contributions. In this paper, we suggest that firms respond to this disruption by increasing their utilization of the covert and co-optive tactics in their political strategic repertoire, including increased lobbying, indirect campaign contributions, and co-opting political operatives through revolving door directorships and lobbying appointments. The paper ultimately provides evidence that activist challenges have the unintended and indirect consequence of increasing firms’ deployment of dark channels of political influence where their activity cannot be monitored.

Corporate Political Activity And Firm Performance: Explicating The Moderating Effects Of Product And International Diversification

Vikrant Shirodkar, University of Sussex  
Tazeeb Rajwani, Cranfield University  
Julia Hautz, University of Innsbruck  
Michael Mayer, University of Bath

The association between corporate political activity and firm performance is contested. Considering both potential costs and benefits we examine the relationship between corporate political activity and firm performance by explicating the moderating effects of product and international diversification. The idea is that corporate political activity facilitates expansion into new product and international markets and hence justifies the costs occurred. Our results based on a sample of 737 U.S.-based firms show that corporate political activity is positively associated with performance for firms that are diversified in both international markets and along product-lines; whereas political activity is counter-productive for purely domestic and undiversified firms. Our results contribute to the literature on the nonmarket behaviour of firms by highlighting the roles of international and product diversification.

SESSION 67

COMPETITIVE ADVANTAGE & PERFORMANCE PERSISTENCE

TRACK E, TRACK X	Date	Monday, Sep 19
	Time	15:00 – 16:15
Common Ground	Room	Bishop
Facilitator	Phebo Wibbens, University of Pennsylvania	

Performance Persistence: A Literature Review and Insights for Sustained Competitive Advantage

Aya Chacar, Florida International University  
Yue Zhao, Florida International University

Performance persistence captures the temporal dynamics of organizational performance and speaks to the loss or maintenance of a competitive advantage or disadvantage. This study takes stock of the extensive yet fragmented performance persistence literature. We first summarize the theoretical logic underlying research on performance persistence, highlighting its relevance to theories of sustained competitive advantage. We then review the institutional, industry, organizational, and managerial drivers of performance persistence, as well as research examining the temporal dynamic of firm performance over time. Within each of these areas, we use our review and strategic management research to formulate a theory-based roadmap for future performance persistence research. We also engage in a comparative discussion of the drivers of performance versus performance persistence, highlighting potential similarities and differences.

Exploring The 20 Trillion Dollar Question: How Industry-level Resource Characteristics Shape Long-term Company Returns

Phebo Wibbens, University of Pennsylvania

An analysis of lifetime investor value appropriation (LIVA), a measure of long-term returns, on all listed US companies over the past 90 years indicates that a mere 100 companies appropriated over 20 trillion USD. These 100 companies are concentrated in relatively few industries, albeit with different stylized dynamics across them. For instance, in pharmaceuticals, a multitude of companies generated LIVA over many decades, while in technology industries, few companies generated a very high LIVA over much shorter periods of time. The paper proposes a simulation study with different industry-level resource characteristics to explain these stylized facts. Thus, the proposed approach brings an industry perspective to the resource based view, which hitherto has been mainly characterized as a firm-level theory.

## Long- and Short-Term Determinants of Performance Persistence – A Theoretical Model and Empirical Evidence

Ingo Reinhardt, *Simon-Kucher & Partners*

Strategy researchers frequently focus on year-to-year changes in accounting rate profitability to study performance persistence. For example, scholars model profitability variations using first-order autoregressive models or Markov chains. However, it cannot be expected a priori that performance persistence can be explained by studying year-to-year changes. Here, we develop a two-step model of long-term performance persistence by first modeling how firms accumulate resources and then how these resources determine their performance – together with short-term random effects. We test the model using a novel ordinal method and 40 years of performance data from Fortune 500 lists between 1955 and 1994. We find both that competitive advantages are substantially more sustainable than measured in previous studies and that performance variations are significantly influenced by short-term randomness.

## Differentiation Strategies in Agribusiness: A Configurational Approach

Esteban R. Brenes, *INCAE Business School*

Luciano Ciravegna, *INCAE Business School*

Caleb A. Pichardo, *INCAE Business School*

This paper studies alternative ways by which agribusiness firms specializing in high value added products differentiate themselves from their competitors in domestic and international markets. Relying on information collected through interviews, and a survey with 200 agribusiness companies based in twelve Latin American countries, it explores the factors that distinguish firms implementing a differentiation strategy (DS). The findings provide interesting insights for scholars and practitioners alike, illustrating the strategic initiatives those firms pursue to set average prices higher than those of competitors.

## “Just Do It”: The Moderating Role of CEO Self-Regulation on Competitive Aggressiveness-Firm Performance Link

Iiro Vaniala, *Aalto University*

Jukka Luoma, *Aalto University*

Henrikki Tikkanen, *Aalto University*

Johanna Frösén, *St. Petersburg State University*

Cecile K. Cho, *Korea University*

We hypothesize that CEOs with a strong proclivity to act, a psychological trait known as locomotion, negatively moderates the relationship between a firm's competitive aggressiveness and its performance. Our theoretical argument is that CEOs with a strong inclination to action are less selective in deciding which strategic initiatives to implement. Consequently, a firm lead by such CEO may react to threats and opportunities that should not be acted upon. As a result, the positive performance effect of competitive aggressiveness is weakened. Our empirical results, based on a unique dataset combining measures of CEOs' psychological traits, firm-level competitive aggressiveness and financial performance, supports our hypothesis. Our results contribute to a more nuanced view of competitive aggressiveness-firm performance relationship and the upper echelons perspective on competitive dynamics.

## Performance Differences of Online Business Models

Christian Landau, *EBS University of Business and Law*

Markus Kreutzer, *EBS University of Business and Law*

Marc Hummel, *EBS University of Business and Law*

A prominent way to conceptualize business models is the activity system perspective. Business models refer to how firms have chosen to configure the content, structure, and governance of their activity system using a connecting design theme. In this paper, we analyze if activity system configuration differ in performance. Our analysis takes place in the context of the European online retail industry. Using cluster analysis and data of 465 online retail firms, we find four types of online retail

business models. Three out of the four business models differ in their performance. Our results imply that business models actually matter for firm performance. We thereby contribute to the discussion in the business model literature whether the business model constructs represents a relevant strategic construct.

## SESSION 156

### STRATEGIC MANAGEMENT IN AFRICA

<b>TRACK G</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Paper</b>	<b>Room</b>	Tegel
<b>Chair</b>	Sumit Kundu, <i>Florida International University</i>	

## Chinese Investment in Africa: Avenues for Academic Scholarship

Lite Nartey, *University of South Carolina*

Stephen Mezas, *INSEAD*

The significance of Chinese investment in Africa has long been a subject of international policy debate. However, business scholarship has given this important phenomenon little attention. In this paper, we seek to draw attention to the importance of this area for business research. We outline the significance of this phenomenon for business scholars in terms of possible theoretical and methodological research avenues and provide a preliminary report on a dataset we have assembled to offer insights into the geographic and economic breadth of Chinese investment in Africa.

## Partial Equity Ownership as Signals in Intra-Africa Acquisitions

Bruce Lamont, *Florida State University*

Kimberly Ellis, *Florida Atlantic University*

Africa Ariño, *IESE Business School*

Building on signaling theory, our study addresses gaps in our understanding of the determinants of equity ownership position in cross-border acquisitions (CBAs) involving emerging market firms. We focus on two informal institutional determinants particularly acute for Intra-Africa acquisitions: shared colonial history and difference in cultural complexity of the firms' home countries. Also, we examine two determinants from traditional CBA literature: formal institutional distance between the firms' home countries and market potential of the target country. We find that shared colonial history and differences in cultural complexity increase equity ownership position whereas higher institutional distance and greater market potential lead to lower equity ownership positions in the target. Results both confirm some relationships and clarify previously unexplained findings in the CBA research in emerging markets.

## Determinants of Multinational Enterprise Investments in Sub-Saharan Africa

Everlyne Misati, *Florida International University*

Fred Walumbwa, *Florida International University*

Stav Fainshmidt, *Florida International University*

Sumit Kundu, *Florida International University*

Multinational enterprises (MNEs) are increasingly investing in the African continent, but some African countries have attracted more foreign direct investment (FDI) than others. Although prior literature points to several key drivers of FDI inflows into Africa, the determinants of African countries' attractiveness to MNEs remain unclear, especially because prior studies show that the African context is unique in terms of FDI-attracting factors. In this study, we draw on the eclectic paradigm and institutional theory to examine how factor- and market-based locational advantages interact with institutions, infrastructure, and openness to influence Sub-Saharan African countries' FDI inflows. Thus, we promote a better theoretical understanding of MNE investment in Africa, offer theoretical insights into research on MNE location choice, and provide actionable implications for managers and policy makers.



## Small Business Coopetition Practices: Insights From an Informal Business Field

William Phanuel Kofi Darbi, *GIMPA*

Paul Knott, *University of Canterbury*

We explore strategy as situated practice by investigating small business coopetition practices, which to date has somewhat been overlooked in the coopetition strategy literature. Using data from ethnographic techniques and drawing on a practice perspective, our findings portray coopetition practices of informal printing businesses in Ghana within four themes: 'Antecedents and drivers'; 'Nature of the relationships'; 'Partners and exchanges'; and 'Building and managing the relationships'. These make up a relational view of extant research foci on both antecedents and dynamics of coopetition, which are otherwise often treated independently. We further demonstrate how a Bourdieusian field analysis provides affordances to account for context in small business coopetition practices in a more nuanced fashion.

### SESSION 171

## HEADQUARTERS AND SUBSIDIARIES

**TRACK G** **Date** Monday, Sep 19  
**Time** 15:00 – 16:15

**Common Ground** **Room** King

**Facilitator** Elizabeth Maitland, *University of New South Wales*

### A Matter of Dissociation: The Use of Subsidiary Autonomy in Dealing with Corruption

Larissa Rabbiosi, *Copenhagen Business School*

Grazia Santangelo, *University of Catania*

We investigate how corruption influences the allocation of decision-making authority within the HQ-subsidiary relationship. Drawing on impression management theory, we expect that MNEs face potential reputation costs due to negative media coverage (i.e., infomediaries corruption costs) should a subsidiary be implicated in a corruption scandal. We suggest that the decentralization of decision-making enables MNEs to minimize infomediaries corruption costs by establishing an effective impression management based on dissociation strategies. However, higher levels of HQ-subsidiary communication—which make internal inconsistencies evident—reduce the efficacy of delegation as mechanism to enhance dissociation-based impression strategies. As a result subsidiary autonomy will decrease. We test our argument on a sample of 279 wholly owned Italian foreign subsidiaries located in 39 host countries with different levels of corruption.

### Exploring the Effects of Headquarters Involvement in Subsidiary Activities

Amalia Nilsson, *Uppsala University*

Henrik Dellestrand, *Uppsala University*

Headquarters of multinational enterprises (MNEs) are expected to justify their existence by adding value to subsidiaries. The challenge for headquarters is how to manage subsidiaries in a way that adds more value than if they were managed by a different headquarters or as independent, stand-alone entities. Allocating resources, orchestrating innovation activities and synergy management are ways that headquarters can get involved in subsidiary activities to add value. However, it is challenging to add value when managing a diverse and dispersed complex network of subsidiaries because of headquarters bounded capacity to manage subsidiary operations. Hence we explore three different cognitive functions, namely subsidiary issue selling, headquarters knowledge and benevolent intentions that influence headquarters involvement in and management of subsidiary activities and their influence on subsidiary outcomes.

## ✚ Going Against the Grain: The Impact of Mandate Loss on Subsidiary Evolutionary Trajectories

Edward Gillmore, *Mälardalen University*

Ulf Andersson, *Mälardalen University*

This paper examines outcomes of mandate loss on subsidiary charter evolution, we focus on the processes the allows a subsidiary to respond to mandate loss. We found that subsidiaries quite regularly survive and are successful when their charter is depleted, thus we examined the counterfactuals of how this played out. This paper utilizes exploratory cases to examine the subsidiary responses, and elucidated three process that allowed this – mandate management – capability development – resource recombination. Our contribution is twofold, firstly we unpack the process of how a subsidiary can sustain a positive trajectory ex-post. Secondly we find that the complimentary nature of freed up resources post loss in recombination with the subsidiary's existing combining capabilities and slack resources aids it in sustaining these trajectories.

### Subsidiary Strategy in Response to Pressures from Headquarters and Local Institutions

Ivar Padrón Hernández, *Stockholm School of Economics*

Patrick Regné, *Stockholm School of Economics*

Through an inductive case study of headquarter induced strategies in three MNCs across nine subsidiaries, this paper explores and explicates how pressures from headquarters and local institutions interact and are handled by dually embedded subsidiaries in strategy formation processes. We propose a typology of four subsidiary strategy types, depending on the pressures exerted by headquarters to implement the strategy on the one hand, and local institutional pressures for conformity on the other. By linking subsidiary activities and responses to strategy outcomes in a multinational context, we contribute to international business and strategic management research.

### The Multilayered Acculturation Challenge of Mncs' Subsidiaries in Strategic Alliances: Threat or Opportunity for Innovation?

Stefano Elia, *Polytechnic University of Milan*

Lucia Piscitello, *Polytechnic University of Milan*

Antonio Messeni Petruzzelli, *Polytechnic University of Bari*

In emphasizing the need of selecting the "right" partner, the alliance literature has highlighted the negative impact of cultural diversity on innovation. We propose that this issue is even more challenging when considering subsidiaries of Multinational Companies (MNC), as they already embody a multicultural background, i.e. the culture of both their host and home country. We also advance that the effect of cultural diversity is dependent on the specific content of the alliance, distinguishing between upstream and downstream collaborations. Our findings confirm that allying with partners culturally diverse from both the host and home country makes the subsidiary less innovative. However, when alliances concern upstream activities the challenges of cultural diversity are counterbalanced by the benefits of being exposed to novel knowledge.

### The Exploration-Exploitation Paradox and Subsidiary ROI: The Role of Dynamic Managerial Capabilities

Fuming Jiang, *Curtin University*

Subramaniam Ananthram, *Curtin University*

This paper examines two general propositions: (1) asset-exploration and asset-exploitation foreign direct investment (FDI) affect subsidiary return on investment (ROI), and such effects are moderated by subsidiary managers' global mindset and position tenure; (2) simultaneously pursuing both asset-exploration and asset-exploitation FDI may create either a synergy or a tension between the two types of FDI that affects subsidiary ROI, and this effect is moderated by subsidiary managers' global mindset. We tested several hypotheses using data collected from headquarters and subsidiaries of 249 Chinese outward investing firms.

## SESSION 181

**WITH OR WITHOUT YOU**

<b>TRACK H, TRACK X</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Paper</b>	<b>Room</b>	Schinkel I/II
<b>Chair</b>	Taco Reus, <i>Erasmus University-Rotterdam</i>	

**Acquisition Complexity and Nested Acquisitions: On the Outcomes of Acquiring Firms that have Recently Acquired**

Michelle Zorn, *Auburn University*  
 Jennifer Sexton, *West Virginia University*  
 Manjot Bhussar, *Auburn University*

Understanding the factors that impact the outcomes of acquisitions is increasingly important. In this study, we highlight a largely unstudied phenomenon that impacts the acquisition integration process: nested acquisitions. Nested acquisitions are a special case of serial acquisition where a focal acquirer acquires a target firm that has, itself, recently acquired another firm. In our study of U.S. acquirers from 2009 to 2012, we theorize that due to integration complexity, nested acquisitions will negatively impact performance. Additionally, we theorize that prior acquisition experience and acquirer/target relatedness can reduce this negative relationship. We find support for our theorizing. Nested acquisitions are associated with lower performance and previous acquisition experience mitigates the negative relationship between nested acquisitions and performance.

**A Process Theory of Feedback Effects in Merger and Acquisition Integrations**

Shanie Atkinson, *University of New South Wales*  
 Shayne Gary, *University of New South Wales*

Research has not converged on a set of factors that reliably explain the variance in M&A performance, and scholars have called for new theory building to fill this gap. This paper combines an in-depth field study, causal loop diagramming, and simulation modelling to build a process theory of M&A integration over time. Results show how differences in managerial implementation policies for M&A integration lead to different performance outcomes. One performance outcome, the Death Spiral, arises when managerial decisions to accelerate synergy realisation, generate new synergies, and increase redundancies stimulate reinforcing feedback loops that increase fatigue and uncertainty, and undermine engagement, capabilities, and synergy realisation. Our findings extend theory on M&A implementation decisions including level of structural integration, speed of integration, and top management team turnover.

**Debiasing Attempts in M&A Departments**

Xena Welch Guerra, *University of St. Gallen*

In this study we examine with which practices managers in M&A departments attempt to mitigate cognitive limitations and create a decision-making environment to collectively arrive at better strategic decisions. Conducting an inductive analysis of 67 interviews and internal documents, we identify four practices: Heads of M&A departments (1) seek to decouple from potential sources of bias; (2) attempt to buffer the organization from the inducements of market expectations, brokers, and other organizational actors; (3) engage in structured thinking exercises, and (4) selectively modify the decision-making context of others. Our findings contribute to the M&A and behavioral strategy literatures and in particular to the debate on deliberate learning.

## SESSION 265

**SEARCH AND KNOWLEDGE SOURCING**

<b>TRACK I</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Common Ground</b>	<b>Room</b>	Knight
<b>Facilitator</b>	Nilanjana Dutt, <i>Bocconi University</i>	

**Moving Beyond Ill-structured Problems: Towards A Co-evolutionary Theory Of Search**

David K. Reetz, *Technical University of Munich*  
 Sam MacAulay, *Imperial College London*

Rather than being well-defined, the challenges that managers wrestle with are often complex and ill-structured, and defy rational analysis and ex-ante identifiable paths to action. To understand how to grapple with this issue, recent work increasingly looks at how organizational actors strategically formulate, identify, and solve problems. This emphasizes sequential search processes, resting on deductive logic, used to solve well-defined problems. Instead, we propose a co-evolutionary model of search that explicitly theorises the organizational action that drives linkages between problems and solutions under conditions of true uncertainty or ambiguity. We illustrate this using examples of the development of new markets for 'Graphene' and an 'EcoCity' design project by Arup. Our proposed model highlights the utility of abduction for explaining the resolution of strategic challenges.

**Open For More Innovation?: Replication Of Laursen And Salter's (2006) Study**

Lars Bengtsson, *Lund University*  
 Sam Tavassoli, *Lund University*

One of the first large-scale empirical studies of open innovation to be reported was published by Laursen and Salter (2006). This article is the most cited article published on open innovation hence the single article with the highest impact in the research field. The aim of our study is to replicate the Laursen & Salter study based on Swedish Community Innovation Survey data. We find no support for hypothesis one that external search breadth is curvilinearly related to innovation performance neither significant for incremental nor radical innovations. We do find support for hypothesis two that external search depth is curvilinearly related to innovation performance. Thus firms should be open for innovation deeply using a select number of external knowledge sources rather than a multitude sources.

**Waste Reduction Strategies: Less is More**

Nilanjana Dutt, *Bocconi University*  
 Luca Berchicci, *Erasmus University-Rotterdam*  
 Will Mitchell, *University of Toronto*

Managers across a range of industries adopt waste reduction processes by drawing ideas about possible techniques from different knowledge sources. Although examining a greater number of knowledge sources should positively increase the likelihood of success, it has also been shown to raise challenges in processing information. Because of these tradeoffs, a key initial choice for firms engaging in innovative activities is the number of knowledge sources to investigate. Our results indicate that for the average firm, it is optimal to examine just one knowledge source; investigating more sources decreases performance. Instead, performance improves as the facility and key individuals gain experience. We study this question in the context of U.S. manufacturing facilities where we examine how facilities identify ways to reduce their annual toxic waste.



Sources of External Knowledge and Innovation Performance: Adaptive Vs. Generative Learning

Jun Xia, *University of Texas at Dallas*  
Marshall Jiang, *Brock University*  
Kunyuan Qiao, *Pennsylvania State University*  
Zhouyu Lin, *Fuzhou University*  
Martina Quan, *University of Texas at Dallas*

From a learning perspective, we argue that FDI spillovers are inclined to induce adaptive learning, whereas external research and development (R&D) tends to trigger generative learning. Although both types of learning may enhance the innovative performance of firms, their effects vary under different levels of internal R&D. Using a sample of manufacturing firms in China from 2002 to 2007, we find that FDI spillovers, as indicated by the rhythmic pattern of foreign entrants, and external R&D, as two distinct sources of external knowledge, positively affect innovation performance. However, the positive effect of FDI spillovers is stronger, whereas that of external R&D is weaker for firms with a moderate level of internal R&D than firms with a low or high level of internal R&D.

DARPA and Industrial Evolution: Evidence from the Prosthetic Industry

Seojin Kim, *Temple University*

In the research, we examine the role of DARPA in an industry evolution. Looking into the context of DARPA research to create the world most advanced arm prosthetics, we provide empirical evidence on the mechanism through which DARPA impacts the innovation performance and search behavior of various organizations in an industry. Because of type of knowledge DARPA produces and its brokerage role that connects distant scientists and knowledge domains, we predict that (a) DARPA projects will be likely to produce more radical and novel inventions (b) increase knowledge spillover among distance group (c) increase the originality of the knowledge created. Also, we investigate the effects of DARPA programs would vary depending on type of technologies and level of organizational engagement.

Acquisition of Supplier Knowledge for Product Development: Combining Idea Competitions and Procurement Auctions

Sven Pietrzyk, *University of Bayreuth*

Knowledge from external sources has become increasingly important to successful new product developments for firms. We analyze how firms can provide incentives to suppliers to contribute to new product development. Our research proposes a combination of idea competitions and procurement auctions. We model the interaction between the focal firm and multiple, competing suppliers as a Bayesian game. In this model, the focal firm can significantly increase the level of suppliers' contributions to new product development by offering a contingent reward. Offering the reward yields a positive rent for the focal firm. The theoretical predictions are tested in a laboratory experiment. Initial results from pilot experiments suggest that benefits from the concept for the focal firm may hold in practical implementation.

SESSION 269  
LEARNING AND INNOVATION IN INTERNATIONAL CONTEXTS

TRACK I	Date	Monday, Sep 19
	Time	15:00 – 16:15
Paper	Room	Charlottenburg II
Chair	C. Annique Un, <i>Northeastern University</i>	

Learning from R&D Outsourcing and Learning by R&D Outsourcing

C. Annique Un, *Northeastern University*

I analyze how R&D outsourcing influences product innovation. I propose a separation between learning from R&D outsourcing, whereby the firm improves its ability to innovate by incorporating outsourced R&D knowledge directly in making new products, from learning by R&D outsourcing, whereby the firm improves its ability to innovate indirectly by integrating outsourced R&D knowledge with firm-internal R&D knowledge. Building on the KBV and the idea of cognitive distance, I argue that learning from R&D outsourcing has an inverse U-shaped relationship with product innovation while learning by R&D outsourcing has a U-shaped relationship. Additionally, I propose the existence of a liability of foreignness in R&D outsourcing, whereby foreign R&D outsourcing is likely to have a lower positive impact than domestic R&D outsourcing on product innovation.

Omni-Shoring: A Coordination Mode Between Design and Manufacturing to Preserve Innovation

Celine Abecassis-Moedas, *Catholic University Portugal*  
Valerie Moatti, *ESCP Europe*

Recent research argues that, when innovation is embedded into the process, design and manufacturing need to co-locate in the home country to secure current and future innovation. While fashion has been shown to be a process-embedded innovation industry and thus an excellent candidate for re-location, macro-economic data does not confirm such trend. Based on this contradiction, our work uses an inductive approach on 18 European fashion firms to understand how firms manage the design-manufacturing coordination. The qualitative analysis reveals that there is a range of strategies to manage distance between design and manufacturing to preserve innovation: reducing distance, hedging against it, segmenting it and avoiding it. These strategies are often managed simultaneous and complement each other, evidencing "omni-shoring".

Formal and Informal Transfers of Knowledge in Learning-by-exporting

Elena Golovko, *Tilburg University*  
Giovanni Valentini, *IESE Business School*

We study the effect of exports on firms' innovation output in search for a better understanding of the process underlying the so-called 'learning by exporting' phenomenon. To do so, we distinguish between two types of knowledge that might be acquired in export markets: market and technological knowledge. These two types of knowledge have been generally treated equally by previous studies, although what is actually learnt in these cases is substantially different. How do firms actually obtain these two types of knowledge? We hypothesize that formal technology transfers are particularly salient if firms want to achieve also technological learning in export markets, and not merely learn about local market conditions, which can be provided by simple knowledge spillovers as prior literature has generally assumed.

## Foreign Market Knowledge and SME's International Performance: The Moderating Effect of Strategic Intent

Mariola Ciszewska-Mlinaric, *Kozminski University*

The purpose of this paper is to broaden our understanding of the relationship between foreign market knowledge (FMK) and international performance of small and medium sized enterprises (SMEs). The article also seeks to contribute to the ongoing discussion on factors supporting the accumulation of FMK by focusing on the role of strategic intent in this respect. It is argued that strategic intent enhances development of the stock of FMK, which in turn enables firms to achieve better performance in international markets. Additionally, we examine the moderating effects of strategic intent and time-to-internationalization for the relationship between FMK and SMEs' international performance. The study was conducted on a sample of 89 Polish firms operating in a low-tech but fairly internationalized sector (furniture manufacturing).

### SESSION 245

## LEADERSHIP IN STRATEGY PRACTICE: CHALLENGES AND TRENDS

<b>TRACK J, TRACK M</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Paper</b>	<b>Room</b>	Schinkel III
<b>Chair</b>	Stephanie Dameron, <i>Paris Dauphine University</i>	

### Affect and Strategy Practices

Glenn Kristiansen, *University of Cambridge*

Suela Haxhiraj, *University of Oxford*

We present a conceptual framework explaining how affect (e.g., emotion, mood, or feeling) legitimizes or changes strategy practices at the individual and organizational level through interpersonal mechanisms. Affect is currently not an explicit part of the strategy-as-practice tradition, which is unfortunate since affect has strong cognitive and behavioral implications at the individual and collective level. For instance, affect contains information by itself, but unlike other information sources, affect is particularly convincing in directing judgment and other thinking relevant for the formation of strategy practices. The elements of the framework are: strategy practices; strategic setting; affective inference; negotiation of reality; re-evaluation of sensemaking; and affective knowledge. We rely on literatures from strategy as practice, psychology of affect, neuroscience, and knowledge conversion.

## Dynamics of CEO Identity: How CEOs Construct Their Identity in the Interaction with Different Stakeholders

Shenghui Ma, *University of Zurich*

There has been an emerging interest in understanding the dynamics of CEO identity and their impact in organizations. Drawing on a longitudinal multiple case study, we show that CEOs dynamically construct their identity in relation to different groups of stakeholders in their organization: co-workers, the TMT, the board of directors, and the organization in general. When defining themselves along these four dimensions, CEOs frequently refer to their predecessor as a point of reference. In other words, they constantly compare themselves with their predecessor. Finally, we show that the conflict between their self-identity and their role expectations triggers CEOs' identity work and how CEOs defend or modify their identity. Together, our findings contribute to a more comprehensive and deeper understanding of the dynamics of CEO identity.

## Changing Strategy: The Recursive Institutional Work of Change in a Permeable Professional Field

Richard Whittington, *University of Oxford*

This paper examines two major practice changes in the professional field of Strategy, the rise of strategic planning in the 1960s and 1970s, and the rise of strategic management from the 1970s to the 1990s. The paper draws on published literature, interviews, job advertisements and business archives, with BCG, McKinsey, GE and Shell as central cases. It shows how the permeable nature of the Strategy field dictated pluralistic change in the form of blending and segregation. This pluralistic change entailed recursive institutional work in three modes: re-invention, re-iteration and re-integration. The paper contributes to Strategy-as-Practice by integrating micro-level institutional work with macro-level professional change. It also identifies the institutional work required for future change in the Strategy field.

## Orchestrating Noise: Paradox Recognition in a Media Organization

Eric Knight, *University of Sydney*

Sotirios Paroutis, *University of Warwick*

How do organizational actors recognize paradoxical tensions in their firms over time? Such dynamic appreciation of paradox recognition is missing from our current empirical investigations. Using a longitudinal qualitative analysis of four case studies of strategic business units (SBUs) in a media firm, we theorize about how tensions get gradually and dynamically recognized by actors. Our findings extend a dynamic equilibrium model of organizing by showing the role of business unit leaders in orchestrating members' recognition of tension. In addition, we offer a conceptual framework that outlines a paradoxical approach to leadership based on practices of dynamic interplay between competing demands rather than intermittent switching.

### SESSION 84

## ENTREPRENEURIAL FINANCE AND CORPORATE VENTURING

<b>TRACK K</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Common Ground</b>	<b>Room</b>	Queen
<b>Facilitator</b>	Gary Dushnitsky, <i>London Business School</i>	

### Founder Influence on Dividend Policy

Winno Freiherr von Wangenheim, *WHU*

Max Leitterstorf, *WHU*

Sabine Rau, *King's College London*

We discuss founders' impact on strategic firm actions after an IPO. We choose the context of dividends because they link firm actions to a founder's personal economic and non-economic considerations. We argue that a founder who is a large blockholder is able to determine the firm's dividend policy. We submit that high and frequent dividends are an ideal mechanism for founders to raise liquidity for personal consumption, to diversify their personal wealth, and to maintain control of their firms. Our empirical results support our hypotheses. Specifically, publicly listed firm pay dividends more often and the dividend payout ratio is higher if the firm is dominated by a founder. Other types of blockholders do not differ significantly from dispersed shareholder structures.



## Signaling Theory and Share Purchases by Firm Founders

Maximilian Wachter, *WHU*  
Max Leitterstorf, *WHU*  
Sabine Rau, *King's College London*

Share purchases by firm insiders result in positive and abnormal stock market returns at the time of the announcement because they indicate information not available to financial markets. We argue based on signaling theory that the strength of these signals depends on the type of insider. Specifically, we expect signals to be stronger if the insider is a founder or an executive because these insider types are, among other factors, better at assessing the fair value of the firms. However, we do not expect the effect of founder status and executive role to be additive. Specifically, based on information processing theory we argue that crude signal elements, namely founder status and executive role, result in a pooling equilibrium. Our empirical results support our hypotheses.

## The Startup Survival Benefits of a Balanced “Burn Rate”

Pablo Hernandez-Lagos, *NYU Abu Dhabi*  
Ron Berman, *University of Pennsylvania*

How much to spend is a key managerial decision for entrepreneurs. Arguments favoring lean startups rely on the burden of rapid growth, reduced monitoring costs or the inefficient use of cash. Arguments favoring high “burn rates” rely on the early creation of economies of scale and complementary assets; and the motivation benefits of efficiency wages and experimentation. We argue that survival benefits of spending should be balanced against the potential costs and empirically show that there is a U-shaped relationship between burn rate and the probability of failure. In addition, drawing on the literature of entrepreneurial human capital, we find that an entrepreneur's education and confidence about possessing a competitive advantage over competitors have a positive relationship with balanced spending, leading to lower failure rates.

## Divide et Impera: Dependence and the Power of Triads in Corporate Venture Capital Relations

Thomas Keil, *University of Zurich*  
Markku Maula, *Aalto University*  
Adam Tatarynowicz, *Singapore Management University*

We examine the performance implications of Simmel's divide et impera strategy in the context of young ventures and their relationships with corporate venture capital (CVC) investors. We argue that young ventures can benefit from inviting multiple investors and playing these off against one another to offset the power imbalance stemming from resource dependence. We test these ideas using data on CVC investments in 3192 ventures in the U.S. between 1984 and 2008. Contrary to the arguments of prior “swimming-with-the-sharks” studies, we find that investments by CVC investors generally have a positive performance effect on the new venture. In line with our prediction of the divide et impera strategy, we also find that this positive effect is stronger for ventures with multiple competing investors.

## Equity-based Incentives and Corporate Venturing

Shu-Jou Lin, *National Taiwan Normal University*

This study provides new insight into the effectiveness of using equity-based incentives to stimulate entrepreneurship. In the empirical context of Taiwan, we examine the effects of equity-based incentives provided to TMT as well as stock ownership of controlling family on corporate venturing investments. The study seeks to investigate whether entrepreneurship within organizations can be stimulated by financial incentives.

## Round-specific Signals to Attract Venture Capital: Multistage Funding Strategies for Driving Startup Growth

Daniela Nuscheler, *Technical University of Dortmund*  
Andreas Engelen, *TU Dortmund*  
Peter Posch, *TU Dortmund*

For entrepreneurs to move the world, venture capital funding can be a decisive element of success. Although guidance for entrepreneurs seeking funding is abundant, it remains inconclusive, however. We aim to solve existing ambiguities on signals to attract venture capitalists and propose a more nuanced round-specific model, also accounting for moderating effects from repeat investors. By means of a novel, multi-source secondary panel data set for 350 startup companies, we link life cycle and signaling theories and intend to place extant findings on investment criteria to their legitimate stage and investor type. We will discuss the sequence of signals required according to conventional growth theories and examine diverging expectations from repeat investors.

### SESSION 86

## VENTURE CAPITAL

<b>TRACK K</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Paper</b>	<b>Room</b>	Kopenick I/II
<b>Chair</b>	Elisa Alvarez-Garrido, <i>University of South Carolina</i>	

## How Do VCs Foster Startup Innovation? Fitting VCs Global Strategy and Startups Regulatory Uncertainty

Elisa Alvarez-Garrido, *University of South Carolina*

Unlike U.S. startups, international startups do not always see greater innovation as a result from venture capital (VC) investments. A more fundamental question is how VC firms affect innovation. I argue that they leverage their industry knowledge and management capabilities through an indirect mechanism: by helping the startup be better managed, the startup can devote more resources, time and attention to innovative processes, which translates into more innovative outcomes. To test this claim I focus on the regulatory uncertainty the startup faces, as a problem the VC firm can alleviate. I examine the fit with: a) VC firm experience or specialization; and b) whether the VC has global or local expertise. I test these mechanisms on a sample of 414 international and VC-backed biotechnology startups.

## Is There a Virtuous Cycle Between Venture Capital Firm Status and Performance?

Oliver Gottschalg, *HEC-Paris*  
Bo Kyung Kim, *Yonsei University*  
Gordon Walker, *Southern Methodist University*

We test the common assertion that venture capital firm (VC) status, measured as syndication network centrality, is positively related dynamically to VC performance. To measure performance we use unique data on VC book value as well as the number of startup IPOs and trade sales in a VC's portfolio. Here we pose the opposite relationship: that VCs engage in problemistic search, seeking higher status when performance declines. Using a Bayesian dynamic estimator, we find that problemistic search is supported and thus that status and performance have no virtuous cycle. We control for status level and find that the result occurs mostly for the top group of VCs. The data are VC firms in the U.S. from 1980 to 2001.

## Is Venture Capital Socially Responsible? The Effect of VC Funding on Companies' CSR Records

Ekin Alakent, *California State University, East Bay*

Mehmet Goktan, *California State University, East Bay*

This study explores the effect of venture capital funding on corporate social responsibility records of VC backed companies. We argue that due to high pressures to meet short term performance targets imposed by the VC firms, VC backed companies are less likely to adopt socially responsible practices. We also explore the age of the lead VC firm and the lifecycle of the VC backed companies on this relationship. Our preliminary findings suggest that 1. VC backed companies have poorer CSR records compared to non-VC backed companies, 2. VC backed companies that receive funding from more experienced VC firms have poorer CSR records 3. VC backed companies' CSR records improve, as they get farther away from the initial public offering date.

## "Like a Moth to the Flame": The Contingent Impact of Prominent Affiliates on Investor Decisions

Friderike Bruchmann, *Technical University of Munich*

Benedikt Maissenhaelter, *Technical University of Munich*

Hana Milanov, *Technical University of Munich*

While the benefits of ventures' affiliations with prominent stakeholders are well acknowledged, there is also an increasing recognition that not all affiliates are the same. Rather than distinguishing between affiliates, we highlight that different sources of prominence within the same affiliate type can differentially shape the perceptions about the affiliate and by extension, the venture. Specifically, we explore when ventures' affiliations with prominent angel investors contribute to their likelihood of attracting venture capital investment. We distinguish between two distinct sources of prominence and argue that they trigger different information processing modes, leading to differential assessments. Further, we suggest that the recency of prominence-related information is an important boundary condition. Our work develops a richer understanding of how information transmitted by the media shapes investors' reactions.

### SESSION 159

## DEALING WITH POTENTIAL NEGATIVE STAKEHOLDER PERCEPTIONS

<b>TRACK M</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Paper</b>	<b>Room</b>	Tiergarten I
<b>Chair</b>	Jennifer Oetzel, <i>American University</i>	

## Doing "Good" to Offset "Bad": The Moderating Role of Stakeholders

Jane Lu, *University of Melbourne*

Hongbin Tan, *National University of Singapore*

Although corporate social irresponsibility (CSIR) or bad social performance is expected to incur stakeholder dissatisfaction and thus suppresses firm financial performance, the empirical evidence is equivocal at best. We argue that a firm may not wait for the punishment as result of its CSIR, but may strategically ease resultant dissatisfaction from various stakeholders. Drawing on stakeholder perspective, we investigate specific strategic practices firms may use to proactively minimize the negative impact of their CSIR. Further, we argue that the choice of "offsetting" strategies is dependent on the expectations of various stakeholders and on the firms' political connections. Findings from a sample of 880 private manufacturing firms in China support our predictions.

## Is Negative News Always Bad News?: The Coupling of Reputation, Trust And Ambiguous Negative News

Laura Poppo, *University of Kansas*

Karl Kammerer, *University of Kansas*

Zheng Cheng, *University of Kansas*

Donald Schepker, *University of South Carolina*

In our scenario driven experiment, we examine if reputation remains a salient core processor when ambiguous negative reporting occurs. Since prior work focuses on organizational level outcomes, left understudied is how individuals actually process such information. Our findings suggest that reputation is a very fragile asset as individuals no longer view reputation as a salient anchor as they problem solve in lieu of reading ambiguous negative news. Rather, trust is a core processor that drives their decisions. In addition, we show that while firms can deploy reputation to reinstate it as a salient, available anchor, it has little impact on individual decisions regarding their willingness to pay/to recommend a firm's products.

## Banking on Contestation: Media Disapproval of Investment Banks as a Beneficial Signal in Syndicate Formation.

Thomas Roulet, *King's College London*

I argue that hostile rhetoric originated by outsiders, targeting typical field-level practices, highlight the substantive attachment of organizations to the dominant logic. In turn, this proximity can be positively interpreted by other actors that share the same belief system. I use the investment banking industry as the empirical setting and hypothesize that during the financial crisis, corporate customers interpreted the criticism in the print media regarding banks' typical practices as a signal of the quality of service they would offer. Building on mass media content analysis, I investigate the biases affecting invitation patterns during initial public offering (IPO) syndicate formation. My findings show that the more banks are disapproved of for their practices the more likely they are to be selected to join a syndicate.

## CSR as Inhibitor Or Stimulus For Performance Improvements In Major Organizational Transformations

Jordi Surroca, *University of Groningen*

Josep Antoni Tribó, *Carlos III University of Madrid*

This study explores whether the engagement in social responsible practices allows firms to reap positive outcomes from downsizing. Two conflicting views are considered. Justice theorists contend that, by engaging in socially responsible practices, stakeholders interpret downsizing as fair, which ensures stakeholder commitment to increase performance. In contrast, prospect theorists predict that survivors of downsizing in socially responsible firms protect their privileges and hinder the successful implementation of organizational changes. We reconciled both views by means of a contingency-based model that includes environmental, institutional, and organizational factors. Findings for a sample of 1,888 firms belonging to 36 countries for the period 2002 to 2014 provide support for the justice view, especially for large-scale and repeated downsizers, uncertain business environments, and industries where downsizing becomes more widespread.



## SESSION 103

**WHEN IS MORE BETTER?: MULTIPLE ALLIANCE PARTNERS AND MULTIPLEX RELATIONS**

<b>TRACK N</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Paper</b>	<b>Room</b>	Lincke I/II

**Chair** Birgul Arslan, *Koc University*

**Unequal Bedfellows: Gender Role-based Deference in Multiplex Ties Between Korean Business Groups**

JungYun Han, *National Taiwan University*  
 Andrew Shipilov, *INSEAD*  
 Henrich R. Greve, *INSEAD*

Although deference is a well-known consequence of relationships between partners of unequal status, little is known on whether deference could spill across different types of ties between the same actors. This can happen within multiplex relationships, when they involve firms that have both business relations and personal interactions that involve their key decision makers. We combine insights from status and institutional theories to examine how actors' behaviors in a business dimension of a multiplex relationship are shaped by the culturally-induced deference norms in a personal dimension. Empirically, we demonstrate that Korean business groups connected by marriage of their owner-family members exhibit deferential behaviors in a business relationship as a function of gender-based deference within the newly created kinship tie.

**The Effect Of Past Alliance Choices On Subsequent Alliance Choices: The Case Of Multi-party Alliances**

Caren Butter, *Maastricht University*  
 Wilko Letterie, *Maastricht University*

Under the premise that past behaviour is the best predictor for future behaviour, this study investigates how firms' previous alliance decisions regarding multi-party alliance (MPA) or dyadic alliance (DA) participation affects their future alliance choices. Using 907 firms from the aviation sector, we build a dataset of 28,992 observations over 15 years (1990–2005) to perform our analysis. Amongst our results, we find that firms' past alliance-type choices (regarding dyadic or multi-party alliance participation) will affect their future alliance-type choices. Furthermore, firms active in MPAs will build more extensive and more active alliance portfolios. Our results lend support to the development of experiential learning, extensive (multi) alliance management capabilities, and possibly path dependencies in firms' alliance activities.

**Can Interfirm Collaboration Failures Create Firm Value?**

Mariia Koval, *BI Norwegian Business School*

Despite documented positive effect of the alliance formation announcement on firm value, little is known about value-creation potential of alliance termination announcements. Building on resource-based view and an alliance portfolio approach, we suggest that an alliance termination announcement can create firm value when the firm has an oversized alliance portfolio, which is likely to be non-efficient. In such case, an alliance termination announcement signals the firm's intention to divert from existing redundancies. Furthermore, when the firm with an oversized alliance portfolio has available alternative resources (internal or acquired ones), an alliance termination announcement can create additional firm value. On other hand, an alliance termination announcement can destroy firm value when the firm with an oversized alliance portfolio has high alliance capabilities.

## SESSION 199

**COGNITION AND CORPORATE MISCONDUCT**

<b>TRACK O, TRACK X</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Parallel Panel</b>	<b>Room</b>	Potsdam III

**Cognition and Corporate Misconduct****Chairs**

Libby Weber, *University of California, Irvine*  
 Margarethe Wiersema, *University of California, Irvine*

**Panelists**

Joseph Porac, *New York University*  
 Violina Rindova, *University of Texas at Austin*  
 Christine Shropshire, *Arizona State University*

Despite the prevalence of corporate misconduct, it is difficult to predict which CEOs and firms will go down in flames and which will remain relatively unscathed when corporate misconduct comes to light, as the same behaviors often leads to different outcomes. However, when cognitive influences and the media's role in shaping them are considered, these disparate outcomes are more systematic than previously believed. The panelists in this session will discuss their own research examining cognitive influences on the ramifications of corporate misconduct and the audience will be invited to participate in a subsequent discussion on how to move this research stream forward. Additionally, this session allows scholars interested in cognitive influences on the ramifications of corporate misconduct to meet and build a network, encouraging collaboration.

## SESSION 212

**CEO PERSONALITY**

<b>TRACK O</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Common Ground</b>	<b>Room</b>	Tiergarten III

**Facilitator** Tine Buyl, *Tilburg University*

**Who to Imitate? The Role of Peer CEOs' Characteristics in Influencing Firm Behavior**

Abhinav Gupta, *University of Washington-Seattle*  
 Vilmos Misangyi, *Penn State University*

Prior research has emphasized that CEOs affect constituencies through sociopolitical tactics. Significantly less attention has been accorded to the possibility that CEOs can affect observers through inadvertently shaping socio-cognitive categorization processes. In this study, we integrate research in leadership categorization with inter-organizational learning theory to propose that CEO characteristics will also have an effect on peer firms. In doing so, we argue that two CEO characteristics—charisma and narcissism, which represent prototypes of positive and negative forms of leadership, will shape the extent to which a firm's practice advances influence industry peers, and do so differently. We propose that while practice advances by charismatic CEOs will encourage peer firms to emulate focal firms' practice advances, practice advances by narcissistic CEOs will discourage them.

**The Bright Side of a Dark Construct: How Machiavellian CEOs Benefit their Firms**

Tessa Recendes, *Oklahoma State University*  
 Aaron Hill, *Oklahoma State University*  
 Federico Aime, *Oklahoma State University*  
 Oleg Petrenko, *Texas Tech University*

Although CEO personality constructs associated with the dark side of CEO characteristics have been traditionally seen as detrimental to organizations, we explore potential values of such traits. Specifically, we explore a core component of the "dark triad", Machiavellianism, and show how, in line with the prescriptions for behavior of Machiavelli

for the success of the state, it may have value for organizations. We hypothesize that Machiavellian CEOs may have a negotiation focus that can benefit firms' acquisition activities. Using a sample of CEOs, we find support for our arguments and show that firms with Machiavellian CEOs have better performance, pay lower acquisition premiums, and engage in fewer acquisitions. Also, we find that CEO Machiavellianism weakens the relationship between core self-evaluations and acquisitions' premiums and performance.

### The Influence Of Commitment To The Status Quo On Managerial Discretion

Henning Behr, *Karlsruhe Institute of Technology*

Kerstin Fehre, *Karlsruhe Institute of Technology*

Managerial discretion has been frequently used in management literature to explain why top executives can have more or less influence on organizational outcomes. While a lot of evidence about the driving forces of managerial discretion on environmental and organizational level have already been gained, only very limited evidence exists how managerial characteristics such as CEO personality can shape discretion. We empirically analyze how a CEO's commitment to the status quo (CSQ) affects managerial discretion. Our results show that strong CSQ leads to a reduced level of discretion. Thereby, our study contributes to both the CSQ literature by identifying a new dimension of its consequences, and the managerial discretion literature by giving rare evidence about its driving forces on the level of managerial characteristics.

### Louder Isn't Always Better: CEO Introversion, Analyst Recommendations, and Firm Reputation

Robert Campbell, *University of Georgia*

Timothy Quigley, *University of Georgia*

Scholarly research on executive personality emphasizes the importance of being highly extraverted. Yet, both anecdotal evidence and empirical findings from other fields suggest that introverted executives may provide important benefits to firms that have been previously overlooked. In this proposal, we draw on prior research that explored differences in individuals' cognitive styles based on their degree of extraversion, and investigate the potential benefits of CEO introversion. We theorize that firms led by more introverted CEOs will perform more consistently from year-to-year, which will positively impact analyst recommendations and firm reputation both directly and indirectly through performance stability.

### Serving Differently: CEO Regulatory Focus and Firm Social Strategy

Francois Neville, *Georgia State University*

Daniel Gamache, *University of Georgia*

Jonathan Bundy, *Arizona State University*

Cole Short, *University of Georgia*

We investigate how a CEO's motivational orientation—whether being more approach or avoidance oriented when pursuing strategic goals—relates to the manner in which a firm strategically engages with different stakeholders via its social strategy. We capture a CEO's motivational orientation using the individual attribute of regulatory focus, which is related to both the nature of goals set by individuals and the way in which goals are pursued—two factors central to motivation. Specifically, we examine how a CEO's regulatory focus influences the breadth of a firm's social strategy, either focused narrowly on governance initiatives or focused more broadly on socially- and environmentally-oriented initiatives. We find general support for our hypotheses on a sample of 382 firms during 2005–2013.

### Does CEOs' Piloting Hobby Lead to Unfavorable Bank Loan Terms?

Bo Ouyang, *Penn State University*

Yi Tang, *Hong Kong Polytechnic University*

Chong Wang, *University of Kentucky*

Jian Zhou, *University of Hawaii at Manoa*

Existing research on upper echelons theory has often examined the work-related experiences of corporate executives, but their off-the-job experiences could be just as insightful. This study highlights one hobby popular among CEOs—that of piloting a private aircraft—and investigates its effect on bank loan contracting. Using a large longitudinal dataset on 74 pilot CEOs and 1,529 non-pilot CEOs in U.S. listed firms across multiple industries between 1993 and 2010, we found that firms steered by CEOs holding a private pilot license are more likely to receive tight terms in bank loan contracting, mainly because most credit stakeholders consider such firms as having a higher default risk. Implications to strategic leadership research and stakeholder management literature are discussed.

#### SESSION 227

#### BEHAVIORAL M&A

##### TRACK P

Date Monday, Sep 19

Time 15:00 – 16:15

##### Paper

Room Tiergarten II

##### Chair

Ithai Stern, *INSEAD*

### Do Analysts Influence Acquisition Choices? An Empirical Study in U.S. High-Technology Sectors

Ram Ranganathan, *University of Texas at Austin*

Wei Yang, *University of Texas at Austin*

Although there has been increasing attention to the role of financial analysts in shaping firm strategies, existing literature rarely considers how analysts can influence firms' M&A announcements, a critical decision that can substantially affect firms' development. In this study, we address such possibility by exploring how analysts function as conduits in recommending and legitimating mergers and acquisitions in sectors that they cover. Building upon prior research in social influence and institutional pressures on firm strategy, we propose that firms' M&A decisions are more susceptible to analysts' influence under negative analyst recommendations, or when financial analysts express optimism towards potential M&As. Empirical analysis of more than 9000 conference call transcripts and 7189 M&A deals in the U.S. high-technology sectors confirmed our hypotheses.

### The Price Was Right? Psychological Ownership and Acquisition Premiums in Founder-Led Ventures

David Townsend, *Virginia Tech*

Yue Song, *Virginia Tech*

Marc Junkunc, *Virginia Tech*

Majority acquisitions – when firms sell controlling interest to outside parties – are a central way through which cash is returned as compensation to founders and investors. For many founders, however, entrepreneurial ventures are much more than a fictional nexus of contracts that aggregate the financial interests of owners. Rather, ventures can be fundamental expressions of human agency where multi-faceted core psychological motives such as efficacy and effectance, self-identity, and leaving a legacy influence the relationship between founders and the firms they create. In this study, we explore how psychological ownership influences the willingness of founders to concede majority control over their ventures through acquisitions following an IPO.



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## Heuristics as Antecedents of Post Merger Integration Performance?

Henning Dusterhoff, *University of St. Gallen*

Joachim Stonig, *University of St. Gallen*

Kathrin Pfeifle, *Catholic University of Eichstaett-Ingolstadt*

Researchers and practitioners alike hold activities in the post-merger integration (PMI) phase accountable for the lion's share of M&A underperformance. A review of the existing literature suggests that studying the influences of organizational and managerial cognition on this organizational process that is central to strategy (Bingham and Eisenhardt, 2011) might offer a promising approach. Building on cognitive theory, we analyze the role of heuristics during the PMI phase of a big German top tier automotive supplier. Our contribution to the field of strategic management is twofold. In applying new theoretical and methodological perspectives to the phenomena of PMI, we aim to extend existing explanations for success factors of PMI. In researching heuristics, we seek to better understand individual and shared organizational cognition and subsequent behavior.

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## Managers See, Managers Do: How are 'Make, Buy or Ally' Preferences Formed?

Ithai Stern, *INSEAD*

Razvan Lungeanu, *Pennsylvania State University*

This study explores how managers' strategic preferences are formed. Our theory suggests that employees are imprinted with the rules of action most prevalent in the industry at the time of their joining an organization, and when ascending to managerial positions, these imprinted preferences get reflected in their organization's choices. We also theorize that that these effects are stronger for managers who were inexperienced and young at the time of hire. We examine managers' preferences for making, buying or allying, focusing on technology-sourcing decisions and test our hypotheses with a large dataset comprised of all U.S. public pharmaceutical firms between 1992 and 2006. Implications for the strategy and "upper echelons" literatures are discussed.

## SESSION 313

**2016 SMS EMERGING SCHOLAR**

<b>TRACK 5</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	15:00 – 16:15
<b>Special Panel</b>	<b>Room</b>	Bellevue

\* **2016 SMS Emerging Scholar****Leaders**Guoli Chen, *INSEAD***Panelists**Albert Cannella Jr, *Texas A&M University*Michael A. Hitt, *Texas A&M University and TCU*Yan Anthea Zhang, *Rice University*

The 2016 SMS Emerging Scholar will discuss his research in this session.

**SMS  
EMERGING  
SCHOLAR  
2016**

MONDAY 15:00 – 16:15

16:15 – 16:45

**COFFEE BREAK & SRF SCHOLAR PRESENTATIONS**

## SESSION 310

**CLIMATE CHANGE AND ENERGY POLICY –  
WHAT'S IN IT FOR STRATEGIC MANAGEMENT  
SCHOLARS?**

## TRACK PLENARY

Date Monday, Sep 19

Time 16:45 – 17:45

## Plenary Panel

Room Potsdam I

**Climate Change and Energy Policy – What's in it for  
Strategic Management Scholars?**

## Leaders

Michael Nippa, *Free University of Bozen-Bolzano*  
Ulrich Pidun, *Boston Consulting Group*

## Panelists

Ottmar Edenhofer, *Potsdam Institute for Climate Impact Research*  
Peter Hoeppe, *Munich Re*  
Stefan Kapferer, *BDEW*

Global warming caused by humans is a certainty! Hence, an extensive and immediate transformation of energy systems is unalienable. These two indisputable facts are the starting point for the plenary panel on 'Strategies that Save the Planet'. Internationally experienced and reputed experts from outside of our discipline share their observations, thoughts, and proposals with the SMS community. Our aim is neither to prove the inevitable nor to discuss business opportunities resulting from climate change. Rather, we want to elaborate the specific characteristics of the conjoined phenomena Climate Change and Energy Policy to better understand its strategic management dimension. More specifically, the objective of this plenary panel is to put relevant research questions forth and, thus, highlighting fields where strategic management scholars can be engaged with regard to research, education, and consulting.



**MICHAEL NIPPA** is a Full Professor of Strategic Management and Innovation at the Faculty of Economics and Management at the Free University of Bozen. From 1982 until 1996 he was co-founder and managing director of a management consulting firm. Until 2014 he held a Chair of Management, Leadership, and Human Resources at the Technische Universität Bergakademie Freiberg. He has spent research

sabbatical leaves at the Marshall School of Business (USC), at the Australian Graduate School of Management (UNSW), and at the Lee Kong Chian School of Business (SMU). His predominantly interdisciplinary research addresses strategic management issues in the fields of international management, corporate portfolio management, corporate governance, innovation management, social acceptance of technologies, organizational design, leadership and motivation.



**ULRICH PIDUN** is a director at The Boston Consulting Group (BCG) in Frankfurt, Germany, and global topic leader for corporate strategy. He advises large international companies on their corporate-level strategy, governance and organization. In addition to his work at BCG, Ulrich Pidun serves as honorary professor for corporate strategy at Technical University of Berlin, Germany. His research interest is in corporate-level strategy, portfolio

management, corporate organization and risk management. He studied chemistry and mathematics in Marburg and London and holds a PhD in theoretical chemistry from Marburg University, Germany, and a master of business administration from INSEAD, Fontainebleau, France.



**OTTMAR EDENHOFER** is Deputy Director and Chief Economist at the Potsdam Institute for Climate Impact Research (PIK) and director of the Mercator Research Institute on Global Commons and Climate Change (MCC). Moreover, he is Professor of the Economics of Climate Change at the Technical University Berlin and former Co-Chair of Working Group III at the Intergovernmental Panel on Climate

Change (IPCC), as well as adviser to the World Bank regarding issues of economic growth and climate protection. His research explores the design of instruments for climate and energy policy, long-term scenarios of the climate and energy system, the impact of induced technological change on mitigation costs and mitigation strategies, as well as the science-policy interface.



**PETER HOEPPE** is heading the "Geo Risks Research/Corporate Climate Centre" division of Munich Re, the world's leading reinsurer. He is the Chairman of the Munich Climate Insurance Initiative, has been appointed as Climate Change Advisor of the Bavarian State Government, and is one of the initiators of the Desertec Industrial Initiative. Before joining Munich Re, he worked among others at the Institute of Bioclimatology and Applied

Meteorology and the Institute of Occupational and Environmental Medicine at LMU Munich. His research currently focuses on natural catastrophes and their drivers and on strategies to increase the resilience of societies against these perils. Furthermore, he studies the effects of climate change on insurance and the development of strategies on how this industry can contribute solutions for the mitigation of global warming.



**STEFAN KAPFERER** has recently been appointed Chairman of the General Executive Management Board of BDEW, the federal Association of the Energy and Water Industry, which is in the center of Germany's attempt to master the Energy turnaround. After graduating in Economics and Management from the University of Konstanz in 1999, he started a career as a politician for the FDP parliamentary party. After becoming the

State Secretary for the German Federal Ministry of Health (2009), he moved on to the German Federal Ministry of Economics and Technology (2011), where he remained after Sigmar Gabriel took over the German Federal Ministry for Economic Affairs and Energy. As such, he was responsible for coordinating legislation with the Federal Chancellery as State Secretary of the Vice Chancellor. From October 2014 to April 2016, Mr. Kapferer was Deputy Secretary-General of the Organisation for Economic Cooperation and Development (OECD) in Paris.

## SESSION 311

**INEQUALITY AND POVERTY FROM A STRATEGIC MANAGEMENT PERSPECTIVE**

<b>TRACK PLENARY</b>	<b>Date</b>	Monday, Sep 19
	<b>Time</b>	16:45 – 17:45
<b>Plenary Panel</b>	<b>Room</b>	Potsdam III

**Inequality and Poverty from a Strategic Management Perspective****Leaders**

Anja Tuschke, *University of Munich*  
 Dodo zu Knyphausen-Aufsess, *Technical University of Berlin*

**Panelists**

Ulrich Frei, *FUNDES*  
 Clemens Fuest, *IFO Institute*  
 Suhaib Riaz, *University of Massachusetts, Boston*  
 Christian Seelos, *University of Leuven*

"Inequality" is one of the big topics in our societal discussion and is, for example, seen as a fundamental root cause of the refugee problem in the near east and in Europe. Academically, inequality is most popularly discussed in Thomas Piketty's book "Capital in the twenty-first century". Inequality has many dimensions, such as income, education or gender and ethnic discrimination. Economists often argue that at least some inequality is necessary to incentivize people to perform better, but most would agree that too much inequality is detrimental for societies and also for organizations. Moreover, it should also be clear that real poverty is unacceptable for all of us. This panel discusses how firms cause and are affected by inequality and poverty, and what strategic management as an academic discipline but also as a practical matter can do to reduce inequality within our society as well as within business firms. In other words, what can firms do to improve its "economic inequality footprint" (Suhaib Riaz), what kind of business models could work in bottom-of-the-pyramid markets? And what's about in/equality within their own organizations?



**ANJA TUSCHKE** is Professor of Strategic Management at the University of Munich. Prior to joining the Munich School of Management, Anja Tuschke held the position of a director at the Institute of Organization and HR Management at the University of Bern in Switzerland. Anja Tuschke's research interests revolve around the link between corporate governance and executive leadership. She is particularly interested in how the selection, compensation, and networks of directors affect strategic decisions and outcomes. Anja Tuschke was a Representative-at-large for the Corporate Strategy and Governance Interest Group of the Strategic Management Society and serves on the editorial boards of Strategic Management Journal, Academy of Management Journal and Business and Research.



**DODO ZU KNYPHAUSEN-AUFSESS** is a professor of Strategic Leadership and Global Management at Technische Universität Berlin. Before he joined TU Berlin in late 2008, he served as a chair professor at the universities of Jena (1994-1999) and Bamberg (1999-2008) and as an endowment professor at the University of Heidelberg (all universities in Germany). He has served as a dean of the Faculty of Economics and Management at TU Berlin from 2011-2013 and as the vice president and president of the German Academic Association of Business Research (VHB) from 2011-2014. His and his chair's research focuses on stakeholder influence on strategic decisions, mergers & acquisitions, diversification, top management teams and, most recently, on the strategic management of cities.



**ULRICH FREI** graduated with a master's degree in pharmacy from the "Ecole Suisse de Droguerie" and an MBA from IMD in Lausanne, Switzerland. He has considerable management experience in Africa, Asia, Europe and Latin America. Since 2008, Ulrich has been the executive director and since 2015 Executive President of FUNDES International, based in Costa Rica. Over the last 8 years he has led the transformation process in FUNDES from a purely philanthropic organization to a profit-oriented but mission driven business solution, strengthening SME's in Latin America. Before that, he held senior management positions in Senn Chemicals, Química Suiza, Novartis and CIBA – GEIGY. Ulrich Frei is determined and excited to use his for-profit experience to unleash the full power of business and value generation in service of human dignity.



**CLEMENS FUEST** is President of the IFO Institute, Professor for Economics and Public Finance at LMU Munich, Director of the Center for Economic Studies (CES) and Executive Director of CESifo GmbH. He is a member of the Academic Advisory Board of the German Federal Ministry of Finance and of the European Academy of Sciences and Arts and of the German National Academy of Science and Engineering. His research areas are public economics and economic aspects of European integration. Before he was appointed IFO President, Clemens Fuest was President of the Centre for European Economic Research (ZEW) in Mannheim and Professor of Economics at the University of Mannheim. From 2008 to 2013, he was Professor of Business Taxation and Research Director of the Centre for Business Taxation at the University of Oxford.



**SUHAIB RIAZ** is Assistant Professor of Strategic Management at University of Massachusetts Boston in the 'Organizations and Social Change' research group. He holds a PhD from Ivey Business School, Western University, and conducts research on complex issues at the intersection of organizations and society, particularly related to financialization and socio-economic inequality. This includes work on contestations around long-term and multiple-stakeholder orientation in organizations, the roles of elites in socio-economic organizing, and stakeholder experiences of organizational strategies and practices. Suhaib Riaz edited a special issue on 'Economic Inequality and Management' in Human Relations, and recently presented a talk on "The Inequality Footprint of Organizational Practices" at a consortium of Boston-area universities.



**CHRISTIAN SEELOS** is the Leo Tindemans Chair of Business Model Innovation at KU Leuven, a visiting scholar at the Stanford University Center on Philanthropy and Civil Society and an academic visitor at the Said Business School, University of Oxford. Previously, he directed the IESE Business School Platform for Strategy and Sustainability. His research on innovative business models was recognized by the Strategic Management Society and also won him the Gold Prize. He has been an Associate Professor for Molecular Biology and Cancer Research at the University of Vienna (Austria) and a Research Associate at the Baylor College of Medicine (USA), and he served as Senior Adviser to the Executive Chairman of UNSCOM and led a number of missions as part of the disarmament of Iraq's biological weapons programme.

SESSION 197

ADDRESSING FUNDAMENTAL TRADE-OFFS IN STRATEGY RESEARCH

TRACK A	Date	Tuesday, Sep 20
	Time	08:00 – 09:15
Common Ground	Room	Tiergarten III
Facilitator	Tomi Laamanen, <i>University of St. Gallen</i>	

Are Political Ties and Market Capabilities Complements or Substitutes for Firm Performance?: Evidence from China

Danqing Wang, *University of Hong Kong*  
Fei Du, *University of Hong Kong*  
Kevin Zhou, *University of Hong Kong*

While the conventional wisdom advocates a complementary view between political ties and market capabilities, we challenge it by proposing that they function as substitutes in affecting firm performance. We argue that the simultaneous use of political ties and market capabilities yields strong tensions: Internally, the incompatibility of their focuses and routines produces a crowding-out effect; externally, government interference arising from political ties invites a grabbing-hand effect. Results based on publicly listed firms in China from 2001 to 2014 provide strong support to our propositions. Political ties and marketing/operations capabilities have a negative joint effect on a firm’s future financial performance. Moreover, this substitution effect is stronger when market institutional development is high and for private firms (versus state-owned enterprises).

Differentiation or Imitation: The Effect of Strategic Heterogeneity on Firm Performance

Chia-I Kuo, *National Tsing Hua University*  
Bou-Wen Lin, *National Tsing Hua University*

One of the most debated questions in the literature is whether firms should differentiate themselves among their rivals or imitate successful rivals. Instead of seeing this fundamental question as a dichotomous choice, we suggest that scholars should adopt a continuum approach to firms’ positioning strategy in their competing environment. We therefore propose a construct, strategic heterogeneity, is the degree to which the focal firm’s competitive strategy differs from that of its rivals in the same industry. Based on patent citation data, we find a U-shaped relationship between strategic heterogeneity and firm performance, and the moderating effects of knowledge stock and innovativeness. Results support the previous wisdom that both differentiation and imitation can be good strategy choices and firms should avoid strategies stuck in the middle.

Wicked Problems as Knowledge Problems: Nash Equilibrium Solutions for Conflicting Aims and Colliding Strategies

Richard Hunt, *Virginia Polytechnic Institute*

Drawing upon data from the hydraulic fracturing industry, this study demonstrates that wicked problems are essentially knowledge problems. Using the public disclosure practices of energy producers, our study reveals that a comprehensive, collaborative disclosure strategy is more effective than a competitive approach in mitigating the effects of four key stakeholder knowledge problems: ambiguity, complexity, uncertainty and equivocality. Despite the short-term risks and costs associated with sharing proprietary knowledge, cooperative disclosure strategies offer firms numerous off-setting benefits, including: reduced stakeholder discontent, shorter permit processing times, fewer regulatory citations and significantly less pressure from environmental lobbying. In the context of wicked problems, strategies emphasizing a disclosure orientation tend to generate better outcomes for all parties, including the disclosing firm.

The Pursuit of Sustained Evolvability Redefining Strategy in an Industrial Company

Ines Peixoto, *Aalto University*  
Liisa Valikangas, *Aalto University*

This paper is an empirically-grounded study of a long-term strategy in an oil refining company. As a result, its premium fuels strategy morphed into a growing renewables business. We frame the effort theoretically as a pursuit of sustained evolvability, a concept that has potential for redefining perhaps the most foundational issue in strategy: adaptation. Prior literature has acknowledged evolvability as part of the adaptation of an organization to its environment. However, empirical detail is missing as to what sustains evolvability beyond a single adaptive move. Preliminary findings reveal how the Company tackled a complex environment where technology uncertainty, regulatory change and backlash against biofuels posed daunting challenges. We contribute the conceptual and empirical foundations of a strategy that sustained evolvability under such challenging conditions.

Performance And Strategic Learning Of Firms In A Complex And Regulated World

Rico Merkert, *University of Sydney*  
Albert Assaf, *University of Massachusetts-Amherst*

Using an organizational learning framework, this paper tests for the first time the relationship between customer dissatisfaction and firm performance. We measure performance using a dynamic stochastic frontier model based on the assumption that learning potential develops over time. Our results show that the relationship between customer dissatisfaction and performance follows a U-shaped function, where high levels of customer dissatisfaction have a positive impact on performance as firms react and learn how to improve performance over time which is critical for maintaining competitive advantage. We also show that the relationship between the two is heterogeneous among firms. Firms with more contract experience and those equipped with contracts procured through competitive tendering appear to be more able to improve firm performance as customer dissatisfaction increases.

Abduction in Strategy Research

Marco Giarratana, *IE Business School*

This article explores the state of current research into empirical strategy, with the basic premise that empirical strategy research largely is based on abduction processes. Abduction implies that a researcher imposes a non-fully observable mechanism between an observed combination of fact and result. By construction, this logical mechanism is a cultural product accepted by a well-defined scientific community. In turn, abduction implies a particular form of research, in terms of validation, theoretical soundness, and causation. The proposed analysis of strategy research offers some suggestions for journal editors, instructors, and practitioners.

SESSION 283

GLOBAL FIRM ENVIRONMENTS, STATES, AND SOCIAL MOVEMENTS

TRACK B, TRACK M	Date	Tuesday, Sep 20
	Time	08:00 – 09:15
Paper	Room	Schinkel I/II
Chair	Mary-Hunter McDonnell, <i>University of Pennsylvania</i>	

Allies or Adversaries: TNGOs’ Strategic Interaction with States

Mary-Hunter McDonnell, *University of Pennsylvania*  
Aline Gatignon, *University of Pennsylvania*  
Kate Odziemkowska, *University of Pennsylvania*

This paper draws on social movements and international business theory to explain whether and when transnational non-governmental organizations (TNGOs) adapt their tactical repertoire of strategic

interactions with states in different countries. We study how two structural characteristics of these organizations – local embeddedness and international experience – determine whether they reproduce abroad the contentious or collaborative tenor of their interactions with states at home, or adapt it to local institutions. We adopt a mixed-methods approach to this question, based on qualitative interview data with TNGOs and quantitative data from the Global Database of Events, Language, and Tone (GDELT). Our paper contributes to nonmarket strategy research by uncovering the organizational determinants of political capabilities critical to the success of social movements globally.

### International Strategic Choices: Hobbling Across the Cracked Bridges Between Nation States and Business Environments

Saikat Banerjee, *Indian Institute of Management Ahmedabad*

The paper contributes to the understanding of the effects of interactions among multiple actors such as nation states, legal institutions, non-governmental organizations, and social movement organizations on business environments at the country level. Using agency theory, I argue that governments are opportunistic agents of citizens at the country level. Through theoretical arguments, I propose a moderated mediation model where control mechanisms such as legal institutions, non-governmental organizations and social movement organizations moderate the strength of the mediated relationship between democracy and favorable business environment via absence of corruption, such that the mediated relationship will be stronger under high control mechanisms than under low control mechanisms. Strategic alliances among firms, non-governmental organizations and social movement organizations are also proposed to reduce corruption at the nation-business interactions.

### The Interaction of Big And Small (Non)corporate Actors In Strategically Managing the Global Anti-corruption Radar

Stefan Schembera, *University of Zurich*

While recent literature on organizational corruption started to address the rising and heterogeneous challenges for internationally operating companies in a globalized economy, our knowledge is so far mostly restricted to large firms. In contrast, we know little about the role, motives and challenges of internationally operating small and medium enterprises (SMEs) as regards the global fight against corruption. This study will analyze the implications of firm size in fighting corruption by analyzing when, how & why large and small MNCs face and react to demands in their institutional environment for transparency, compliance and integrity. I use the metaphor of the “anti-corruption radar” to refer to the exposure of an organization to such demands.

### ✿ Webs of Influence: National Stakeholder Networks and Corporate Social Performance

Kate Odziemkowska, *University of Pennsylvania*

Witold Henisz, *University of Pennsylvania*

Drawing on stakeholder, social network and social movement theories, we argue that the prominence of environmental and social stakeholders within a country's socio-political network and their ability to overcome collective action problems together influence Corporate Social Performance (CSP). We leverage a novel dataset of 250 million media-reported events to construct comprehensive national networks of organizations and individuals and sub-networks of environmental and social stakeholders. We empirically demonstrate that within country variation across time in the prominence of stakeholders in the country network and the heterogeneity of stakeholder networks are both associated with increased CSP among a sample of 3,600 firms spanning 48 countries. These results highlight the importance of taking a holistic network approach to the stakeholder landscape for understanding corporate social responsibility performance.

## SESSION 134

### ENABLING NEW DIGITAL BUSINESS MODELS

#### TRACK D

Date Tuesday, Sep 20

Time 08:00 – 09:15

Room Bishop

#### Common Ground

#### Facilitator

Phil Godsiff, *University of Surrey*

### Bitcoin And Blockchain: Their Impact On Business Models.

Phil Godsiff, *University of Surrey*

Roger Maull, *University of Surrey*

Bitcoin, the best known cryptocurrency has a market capitalization approaching \$6.5bn. Cryptocurrencies, as defined by the European Central Bank are “a type of unregulated, digital money, which is issued and usually controlled by its developers.” The Bank of England contends that they represent both an innovation in payment systems and a new form of currency, with the key innovation being the distributed ledger. Uses of distributed ledgers for government were reviewed in a recent government report. This report stated “in distributed ledger technology we may be witnessing one of those explosions of creative potential that catalyse exceptional levels of innovation.” This paper presents empirical evidence results of data gathered from practitioners active in financial services, exploring how these developments might occur.

### Disruption through Big Data: How Newcomers Challenge Incumbents by Accelerating Digital Analytics

Thomas Schmidt, *Free University of Berlin*

Johann Fortwengel, *Free University of Berlin*

Based on a single case study of a start-up in the agricultural machinery repair business, we examine how an entrepreneurial firm challenges incumbents in an established industry by leveraging big data. We find that this industry disruption through big data is facilitated by a set of strategic actions involving sponsoring of a customer base, flexible business model adaptation, centralizing data traffic, investing in data analytics, and sponsoring a customer community. Importantly, these strategic actions trigger processes that evolve into self-reinforcing dynamics, whereby increasing amounts of data improve the product and service, thereby increasing business which again increases data quantity. While this path constitution helps the start-up challenge large bureaucratic incumbent organizations, it at the same time poses significant challenges in terms of data management.

### How to Domesticate the Digitalization Devil: An Exploratory View on Digitalization-based Business Model Archetypes

Sven M. Laudien, *University of Erfurt*

Patrik Spieth, *University of Kassel*

Thomas Clauss, *Philipp University of Marburg*

Digitalization has become the major challenge for firms in the 21st century. The development of new information and communication technologies provides opportunities for establishing innovative ways to create, deliver, and capture value. However, while trying to benefit from these opportunities, firms need to overcome a business logic that is based on an analog way of thinking and to establish a new strategic perspective that is reflected in a redefined business model. Against the background of an inductive multiple-case study approach that includes data from 16 case firms, we develop a classification scheme and uncover archetypes of digitalization-based business models of manufacturing firms. Our findings considerably enhance business model literature and contribute to a deeper understanding of digitalization consequences on firm level.



## Product Service System Competitiveness and Economic Performance: Insights From Multiple Case Studies

Alessandro Annarelli, *Free University of Bozen-Bolzano*

Cinzia Battistella, *University of Bolzano*

Fabio Nonino, *Sapienza University of Rome*

Product Service System (PSS) is a topic attracting attention from different research fields since 1999. Despite this interest and a considerable amount of contributions, there are still some gaps that have not been sufficiently addressed. Understanding the actual role of PSS as a value proposition is a key aspect, and to achieve this purpose is important to evaluate the economic results obtained by firms thanks to PSS implementation, and not simply to forecast them. The study involved 9 firms selected in Italy and abroad, operating in different industries and involving different categories and types of PSS, i.e. product-oriented, use-oriented, result-oriented, differing also in terms of dimensions. We discovered important factors concurring to PSS results, like path dependence and “success stories” influencing customer acceptance.

## Trust in “Trustless” Platforms: A Study of Cryptocurrencies

Ying-Ying Hsieh, *University of Western Ontario*

Jean-Philippe Vergne, *University of Western Ontario*

Trust plays a prime role in facilitating economic exchanges on technological platforms. Recently, the role of trust for such platforms has shifted with the emergence of blockchain technology—as implemented, for instance, in cryptocurrency platforms like bitcoin. In contrast to traditional technological platforms, where trust in third parties is essential, in decentralized cryptocurrency platforms, transaction partners are often anonymous and there is no centralized institution maintaining the platform, so these platforms are said to enable “trustless transactions”. As the industrial architecture begins to shift toward a decentralized model, we need to revise our extant theories of trust to understand competition between these new forms of technological platforms. We propose a novel framework to understand trustless transactions and to predict the growth and survival of cryptocurrency platforms.

## Categorical Anarchy in the U.K.? British Media’s Classification of Bitcoin and the Limits of Categorization

Jean-Philippe Vergne, *University of Western Ontario*

Gautam Swain, *University of Western Ontario*

Bitcoin, introduced in 2009, is a complex entity whose design is constantly evolving. This makes bitcoin difficult to categorize, and since 2009 bitcoin has been associated with 112 different labels by the British media. By exploring these labels in 674 media articles, we identify classification inconsistencies at three levels (within clusters of labels, between labels, and between label attributes), which readily explains why bitcoin’s categorization has remained so unstable. Besides, we propose four contextual elements—radical innovation, decentralization, non-intersection of knowledge domains, and absence of a superordinate category—which induce these classification inconsistencies. We discuss how our framework sheds light on the limits of categorization, that is, contexts where categorization theory seems unable to explain phenomena. We draw implications for research on innovation.

## SESSION 287

## TRANSFER, TRANSFORMATION, AND RECOMBINATION

### TRACK F

Date Tuesday, Sep 20

Time 08:00 – 09:15

### Paper

Room Kopenick I/II

### Chair

Patia McGrath, *University of North Carolina at Chapel Hill*

### Internal Experience Transfer in Corporate Divestiture

Patia McGrath, *University of North Carolina at Chapel Hill*

I investigate the potential for internal experience transfer in the context of scope change, specifically by examining whether and how a firm’s acquisition experience may influence its divestiture performance. I demonstrate the presence of two paths for internal experience transfer. In the first, the firm’s acquisition experience is directly applied to its execution of divestiture. In the second, the transfer of the firm’s acquisition experience moderates the relationship between the firm’s divestiture experience and divestiture performance. This path for transfer surfaces the issue of whether a firm’s learning how to acquire impacts its learning how to divest. I find these learning transfer processes are inconsistently beneficial to divestiture performance, presenting tradeoffs to managers. Moreover, I find these transfer processes are curvilinear, thus fueling these incongruities.

### Recombinative Synergies: Examining How Overlap in Recombined Resources May Influence Spillover for Acquirers Versus Non-acquirers

Hendrik Meder, *KU Leuven*

Samina Karim, *Northeastern University*

Scholars have examined how firms may deepen or extend their portfolio of activities through acquisition. Performance outcome often depends on synergies and efficiencies which are often generated by expanding the pool of available resources. In this study we question whether and how the novelty of these resources (coming from an external target) may provide acquirers an advantage at generating recombinative synergies as compared to non-acquirers who are recombining internal resources that already reside within the firm. Our context is the global pharmaceutical industry between 2004–2015 and we use the WHO’s ATC classification system. We compare firms’ overlap and recombination of resources from (earlier) development trial projects as well as (later) commercialized product projects to predict deepening of activities and spillover to new product activities.

### Strategic Change After Succession: The Impact of Social Ties Between Prior President and New President

Yoichiro Nishimura, *Kanagawa University*

Katsushi Suzuki, *Hitotsubashi University*

Motohiro Nakauchi, *Aoyama-gakuin University*

This study has empirically examined the impact of prior president-new president social ties on strategic change, by using approximately 2,000 succession events in Japan. Our study indicates that by a positive bias in evaluating the previous strategy due to much involvement before succession and increasing the avoidance for the fear of the penalty to impair his status in the affiliation group, social ties are likely to trap the new president into the commitment to the past strategy (status quo) psychologically. We also found empirical evidence that the prior poor firm performance and the prior president power have an augmented impact on the extent to which social ties affect strategic change.

## Estimating the Determinants of Executive--Subsidiary Matches

Marketa Rickley, *University of Iowa*

Using a unique dataset on subsidiary executive appointments in multinational banks and a competitive assignment matching model, this study investigates executive selection in the international labor market. The context is characterized by heterogeneous firms with varied human capital needs, allowing for a nuanced examination of the determinants of executive--firm matches, with a particular emphasis on firm-specific versus general human capital. I examine whether assortative matching occurs based on complementarities between (i) firm size and executive talent, (ii) firm international diversification and executive multinational experience, (iii) firm regional focus and executive regional experience, and (iv) firm performance and executive tenure. I measure the relative strength of these four relationships as drivers of executive--firm match formation and examine the influence of economic conditions on observed matching patterns.

### SESSION 154

## EMERGING MARKET FIRMS AND STRATEGIES

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Kopenick III
<b>Chair</b>	Stephanie Wang, <i>Indiana University</i>	

## Capability Deepening, Capability Broadening, and Firm Performance of Emerging Market Firms

Stephanie Wang, *Indiana University*

Alvaro Cuervo-Cazurra, *Northeastern University*

We analyze how capability upgrading impacts the performance of emerging market firms. Building on the organizational learning literature to theorize upgrading as a problem-solving process, we propose that the benefit of capability upgrading on performance depends on the firm's selection of an upgrading direction that is appropriate for its particular challenges. Thus, we distinguish between capability-deepening (i.e., focusing on improving the quality of a few capability domains) and capability-broadening (i.e., expanding the stock of capabilities in multiple capability domains). We argue that emerging market firms' reliance on low-cost competitiveness or on government support strengthens the positive impact of capability deepening on performance, while manufacturing intensity or institutional friction strengthens the positive impact of capability broadening on performance.

## Glamour or Reality? OFDI Portfolio Choices of New Multinationals

Elitsa Banalieva, *Northeastern University*

Charles Dhanaraj, *IMD*

Piotr Trapczynski, *Poznan University of Economics*

We analyze the drivers and consequences of the internationalization trajectories of new multinationals (firms from developing economies in Central and Eastern Europe). While developed markets are often perceived as an attractive destination due to their market size and sophistication, we argue that such glamour may be misleading for new multinationals. Instead, we suggest that the foreign market portfolio for new multinationals should optimize between exploitation and exploration pressures, and that performance improves if companies optimize based on their existing capability set. We provide a multi-method analysis of 100 Polish firms with foreign direct investments (FDI). Two-stage and three-stage least squares build a quantitative model of the capabilities – FDI location choice – performance relationship. In-depth qualitative case analyses supplement these quantitative results.

## Multi-level Institutional Effects on Firms: Evidence from the Global Textile Industry

Raveendra Chittoor, *University of Victoria*

Preet Aulakh, *York University*

We exploit a major disruption witnessed in the global textile industry in 2005, the abolition of the quota system or the Multi-Fibre Agreement (MFA) to contribute to multi-level institutional effects on firms. We theorize on how the termination of a global institution such as MFA interacts with institutions at national and transnational levels to impact various firm-level outcomes, including export performance, financial performance, firm capabilities and human development indicators. We present our findings from a study using a sample of Indian textile firms, but we propose to test our predictions using a comprehensive sample of textile firms spanning across multiple countries which are significant players in the global textile industry.

## Innovation and Technology Development in Emerging and Advanced Economies: A Comparison of International Patenting Activity

Shantala Samant, *Virginia Tech*

Donald Hatfield, *Virginia Tech*

Anju Seth, *Virginia Tech*

Pooja Thakur, *Virginia Tech*

The level and type of international patenting activity is widely believed to represent an economy's capability for innovation and technology development, with important consequences for economic progress. While prior literature provides valuable evidence on the level of countries' patenting activity, several important questions remain. For example, are there country-level differences in the type of international patenting activity pursued by emerging economies (EEs) versus advanced economies (AEs)? What factors explain countries' emphasis on different types of international patenting activity? Is the influence of these explanatory factors similar for AEs versus EEs? Our paper develops a unique database to shed light on these questions. Our research also contributes towards understanding how EEs develop new technologies despite significant latecomer disadvantages and institutional challenges.

### SESSION 172

## STRATEGIC ALLIANCES AND NETWORKS

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Knight
<b>Facilitator</b>	Anoop Madhok, <i>York University</i>	

## Domestic Alliance Networks and the Foreign Divestment Decisions of Firms

Viacheslav Iurkov, *BI Norwegian Business School*

Gabriel R G Benito, *BI Norwegian Business School*

In this paper, we investigate the role of domestic alliance network embeddedness for divestment decisions of firms. We argue that foreign operations risk being divested when changes in access to domestic social capital occur. The core of our argument is that opportunities that emerge from increases in various enduring direct and indirect relationships with other firms in the home country, may instigate firms to reconfigure their value chain activities and resources across geographic segments. We additionally hypothesize that firm innovation intensity and institutional distance between the home country and the subsidiary's host country increases the likelihood that firms divest their foreign subsidiaries. We find support for the direct effect of domestic alliance network embeddedness and for the moderating effect of innovation intensity.



Revisiting Morck and Yeung (1992): An Empirical Reexamination of Internalization Theory

Zheng Cheng, University of Kansas  
Tailan Chi, University of Kansas

Internalization theory has long been accepted as the standard explanation for the *raison d'être* of multinational enterprises (MNEs). However, the arguably most definitive empirical support of the theory (Morck and Yeung, 1992) has significant flaws, and their results are subject to alternative interpretations that are not necessarily consistent with internalization theory. Aiming to provide a more robust examination of internationalization theory, this study addresses the limitations of Morck and Yeung (1992) through investigating the differential roles of different form of entry mode on the value creation effects of intangible assets. The preliminary results show that the positive relationship between intangible assets and stock market reactions is stronger under merger and acquisition announcements than strategic alliances, providing strengthened support for internalization theory.

Strategic Responses of International Joint Ventures to Institutional Voids in Developing Countries

René Olie, Erasmus University Rotterdam  
Suzana Rodrigues, Erasmus University Rotterdam

In this study of 148 international joint ventures (IJVs) between foreign entrepreneurial ventures and local firms located in 52 developing economies, we examine how joint venture success is influenced by adaptation strategies and mitigating strategies for dealing with institutional voids. Our results show a negative effect of adaptation strategies on goal achievement when they concern bureaucratic voids, i.e. voids which relate to the regulatory and bureaucratic support for conducting business. Conversely, mitigation strategies have a positive effect on goal achievement when they relate to market voids, i.e. voids which relate to the IJV's business operations. Furthermore, mitigation strategies appear to negatively moderate the effects of adaptation strategies on goal achievement when bureaucratic voids are concerned.

The Politics of R&D in International Joint Ventures

Pei Sun, Fudan University  
Ziliang Deng, Renmin University of China  
Mike Wright, Imperial College London

Venturing with political institutions in emerging economies is a risky undertaking for multinational enterprises (MNEs). The risk can be particularly serious in R&D activities conducted in international joint ventures (IJVs) between MNEs and host-country state-owned enterprises. In this paper, we draw on resource dependence theory to reorient the extant emphasis on the cost side of R&D to the potential benefit aspect underscoring the strategic interdependence between MNEs and the host state. Specifically, MNEs need to make more R&D investments in exchange for continued supply of preferential resources by their political partners. Such MNE-state interdependence is moderated by firm-, and environment-level contingencies. Finally, we examine the performance effect of R&D in foreign-state JVs. Our arguments receive empirical support from a large dataset of IJVs in China.

Transfer of Status Across Borders and the Mediating Role of High Status Indirect Ties

Yu Liu, Aalto University  
Markku Maula, Aalto University

Recent studies have found evidence of the transferability of organizational status to new markets. Yet prior studies have not focused on the mechanisms through which the transfer occurs. We focus on this and posit that an important underlying mechanism for status transfer to new markets is the mediating role of the status of indirect ties, that is, in the case of high home country status, high-status common partners shared with prospective local partners in the new market acting as referrals and facilitating tie formation. Through this mechanism, foreign firms with higher home country status are more likely to partner with

firms of higher local status in the entered market. The hypotheses receive support from mediation effect analyses of global cross-border venture capital investments between 1994–2011.

Social Capital in Global Buyer-local Supplier Relationships in China and its Impact on Learning

Lei Wang, Donghua University  
Jun Li, Curtin University

This paper examines the impact of three underlying dimensions of social capital, namely structural, relational and cognitive social capital on local suppliers' exploitative and exploratory learning in the context of global buyer-local supplier relationships in China. It is postulated that local indigenous firms' exploitative and exploratory learning are affected by the social capital that is generated from and embedded in the global buyer-local supplier relationship. The empirical results suggest a positive impact of structural and relational social capitals on local suppliers' exploitative learning, and a negative impact on exploratory learning of local suppliers. The implication of our results is that global buyer-local supplier relationships have a positive impact on learning and can assist in organisations to allocate their scarce resources to exploitative learning.

SESSION 186  
LET'S SEE WHAT THE FUTURE BRINGS

TRACK H	Date	Tuesday, Sep 20
	Time	08:00 – 09:15
Paper	Room	Tegel
Chair	Laurent Mirabeau, University of Ottawa	

Understanding Vision in Strategy: A Socio-cognitive Approach

He Gao, Michigan State University  
Danni Wang, Arizona State University  
Albert Cannella Jr, Texas A&M University  
David Waldman, Arizona State University

This conceptual paper aims to explore the theoretical underpinnings of vision change. Although vision is an important concept for strategic planning and a core element of charismatic/transformational leadership, extant vision research tells us little about under what situations a firm develops a new vision, how the vision may change, and what determines the effectiveness of the new vision. In addition, the complexity of our world requires vision, often in public forum, to deal with multiple audiences. From a socio-cognitive approach, we argue that vision can be used as a strategic tool to engage internal and external stakeholders and competitors. In this paper, we reconsider the process of strategy formulation and implementation and discuss both antecedents and consequences of vision change.

Participation, Flexible Strategic Planning and Organizational Innovation: An Empirical Investigation of Main and Mediating Mechanisms

Said Elbanna, Qatar University  
Ioannis Thanos, Lancaster University  
Ahmed Abdel-Maksoud, United Arab Emirates University

Our current knowledge with respect to the effects of key strategic process dimensions on organizational innovation is rather limited. To fill this void, we explore the link between both participation in strategic planning and flexibility in strategic planning, and organizational innovation. Based on a sample of 150 five, four and three star ranked hotels in the United Arab Emirates (UAE) we theorise and test a number of important relationships. Partial Least Squares structural equation models suggest the following results: 1) Participation in strategic planning is positively related to flexibility in strategic planning, 2) Flexibility in strategic planning is positively related to organizational innovation, and 3) Flexibility in strategic planning mediates the effects of participation in strategic planning on organizational innovation.

## Information and Communication Technology and Delegation of Decision Making: Establishment-level Evidence from Canada

Magdalena Dobralska, *Copenhagen Business School*

This paper investigates the distinct effects of the use of information technology and communication technology in firms on the degree of delegation of decision making. This paper contributes to the literature on organization design by showing empirically that these two types of technology have distinct effects on delegation at the level of analysis of delegation from manager to employees: delegation is more likely when database software is used and it is less likely when communication software is employed. We use a longitudinal and nationally representative dataset from Statistics Canada's Workplace and Employee Survey to test the theory.

## A Dual Processing Approach to Sensemaking in Nonmarket Environments

Anna John, *Open University*

Raquel García-García, *Open University*

Thomas Lawton, *Open University*

Tazeeb Rajwani, *Cranfield University*

In this paper we analyze socio-political sensemaking processes and how they enable companies to understand and manage the reputational risks inherent in nonmarket environments. We extend prior literature on sensemaking by including corporate political activity (CPA) and corporate social responsibility (CSR) as interrelated approaches to managing a firm's nonmarket environment. In addition, we argue that sensemaking models relying on a cognitive processing of information provide only a partial explanation of how managers make decisions in the nonmarket strategy context. As a result, we propose shifting research attention from models based on cognitive processing to models based on dual processing, necessitating an interplay between cognition and intuition.

### SESSION 271

## ANALYTICS AND DATA DRIVEN DECISION-MAKING

<b>TRACK I</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Lincke I/II
<b>Chair</b>	Callen Anthony, <i>Boston College</i>	

## Quantification in Practice: Examining how Analytics Shape Decision Making in Organizations

Arvind Karunakaran, *MIT Sloan School of Management*

Organizations are investing large sums of money in innovations around analytics – which I conceptualize as a particular form of quantification. In this research, I examine the following research questions: (1) How do analytics shape knowledge production in organizations, and with what consequences for decision making? (2) How does the resulting knowledge produced reconfigure (or not) organizational accountability? To examine these questions, I conduct a multi-sited ethnography at a large police department (PD) and its 911 emergency management center (EMC) in the United States. Examining these research questions will enable us better understand quantification and its organizational consequences, and help us distinguish the rhetoric about analytics from the reality of their actual benefits and limitations in practice.

## The Tools of Calculation, Frames, and Strategizing

Callen Anthony, *Boston College*

Calculation plays an important role in many theories of strategizing, yet these theories treat calculation as an assumed, taken-for-granted practice. Opening up the black box of calculation, I ask the following question: how does the interpretation and use of calculative tools shape calculation? Drawing upon an ethnography of an investment bank, I examine how calculative tools are interpreted and used to construct the numbers that underpin strategic advice for their clients. I find that calculative rules embedded within technologies entwine with the calculative frames of users, which varies based on social and technical arrangements and inform calculative practices. The implications of these practices are manifested in the numbers produced by bankers. This study contributes to work that considers the economic calculus of strategic decision making.

## Big Data in Business Research

Peter Dahlin, *Mälardalen University*

Big Data is an approach, a set of tools, and an opportunity to enable somewhat different designs of business research. This paper describes experiences from studies using Big Data. We discuss the aim of a study using this approach, not least the need to accept a vague initial aim, and how data collection can be setup to be flexible and scalable. Handling and processing the data to achieve usability and maintain traceability is covered, and a few different ways to use and analyze data obtained from a Big Data approach are mentioned. Concluding with a number of challenges and opportunities, this paper could hopefully encourage and support the use of Big Data approaches in business research, as a powerful addition to the researcher's toolbox.

### SESSION 288

## MESSING WITH THE MODEL: DESIGN, RENEWAL, AND RECONFIGURATION OF BUSINESS MODELS

<b>TRACK I, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Tiergarten II

<b>Chair</b>	Panos Desyllas, <i>University of Bath</i>
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## Business Model Renewal of Established Firms: Corporate Interfaces as Driver of Incubation Success

Johannes Brill, *IHD | Institute at the International Business School Worms*

Joerg Funder, *Worms University*

This paper enhances the understanding of corporate incubation as a critical source of radical strategical renewal by combining it with recent findings from business model theory. Corporate interfaces are identified as the main driver of business model renewal success as these describe how interdependent subsystems are linked and how newly acquired resources and capabilities can be transferred into the existing corporation. Therefore, this paper investigates the configuration of corporate interfaces in order to generate business model renewal with the help of corporate incubation. In doing so, a conceptual research model focusing on the different types of corporate interfaces is presented. Thereby, this paper contributes to research on business models, strategic renewal and corporate incubation by presenting a conceptual and integrative research framework.



## Understanding Managerial Antecedents of Business Model Innovation: Structural Interdependence Moderating Upper Echelon Predictions

Somendra Narayan, *Erasmus University-Rotterdam*  
Henk Volberda, *Erasmus University-Rotterdam*  
Jatinder Sidhu, *Erasmus University-Rotterdam*

Past research has repeatedly investigated the effects of top management team composition on strategic change outcomes, although with confounding results. In an attempt to clear this fog, this paper seeks to investigate the effect of the interdependence of top managers on upper echelon predictions. Upper Echelon Theory deems cognitive diversity in a top management team (TMT) as likely to stimulate innovation and creativity, thus, resulting in greater business model innovation. This relationship is expected to be moderated by the interdependence among the top managers. The cognitive interaction among TMT members and its dependence on structural factors such as hierarchy, organization structure and co-dependent reward mechanisms explains this moderating effect. These relationships are tested based on a sample of US publishing firms.

## How Much Value is in Business Model Reconfiguration?

Panos Desyllas, *University of Bath*  
Ammon Salter, *University of Bath*  
Oliver Alexy, *Technical University of Munich*

This study explores the link between business model reconfiguration (BMR) by incumbent firms and organizational performance. We investigate this relation using regression analysis and unique survey data from a sample of 206 publicly-traded UK and US service firms. Although, across all our sample firms, BMR is not associated with superior performance, an inverted U-shaped relation is estimated between the scope of BMR and firm performance for firms which are also engaged in process/product innovation. These results contribute to the innovation and business model literatures by offering support to the view that innovative incumbents need to adopt BMR that is broad enough to maintain coherence among business model constituent elements, but not too broad to avoid the escalation of conjectured organizational costs.

## Interdependency and Complementarity of Business Model Design Themes and Competitive Strategies

Petteri Leppänen, *Technical University of Munich*

I draw on configurational approaches to explore interdependencies and complementarities of business model design themes and competitive strategies in different contexts. Based on my initial fuzzy set qualitative comparative analysis of 183 publicly traded firms from multiple industries I find that novelty- and lock-in-oriented business model designs contribute more to high firm performance than designs focusing on efficiency and complementarity. I aim to extend the boundary conditions of extant theory on business model design themes and conclude by proposing that future research should account for the configurational nature of business models and treat them as a set of interconnected choices rather than investigating their constituting elements in isolation.

## SESSION 243

## STRATEGIC DECISION MAKING UNDER UNCERTAINTY

TRACK J, TRACK X	Date	Tuesday, Sep 20
	Time	08:00 – 09:15
Common Ground	Room	Queen
Facilitator	George Tovstiga, <i>EDHEC Business School</i>	

## Paved with Gold? Techniques for Navigating Uncertainties in Investing in Cleaner Energy Technologies

Alfred Marcus, *University of Minnesota*  
Joel Malen, *University of Minnesota*

The path to gold for businesses attempting to convert society's needs into business opportunities is often filled with potholes. Exposed to challenges they cannot anticipate before-hand, to the extent that these business succeed, they must take steps to mitigate these uncertainties. We identify and describe three techniques used by venture capitalists to mitigate uncertainties in converting society's needs for cleaner energy into business opportunities. They are: (i) late and calculated entry, (ii) investment diversification, and (iii) assuring that there are side-benefits in investing in cleaner energy. These techniques have relevance for businesses that invest in innovative technologies with social significance.

## Communicating Strategy in Turbulent Times

Tanja Ohlson, *University of Oxford*  
Basak Yakis-Douglas, *University of Oxford*  
Richard Whittington, *University of Oxford*

This paper considers the mental frames of strategic decision-makers in periods of turbulence characterized by high uncertainty, as in the financial crisis of 2007–2008. By contrast with the fixed economic frames of the Federal Reserve Open Market Committee (Fligstein et al, 2014), we find the frames of senior executives in firms become less stable during such periods of high uncertainty. We use keywords and topic models in strategy communications to demonstrate that the uncertainty of turbulent economic conditions led to the emergence of different, competing frames among strategic decision-makers at large. The ending of the crisis led to a restored consensus around fewer keywords and topic models.

## Simple Heuristics for Strategy Work

George Tovstiga, *EDHEC Business School*

Heuristics, or simple rules of thumb, are more wide spread in management often assumed. They are particularly relevant to strategy practice. Typically based on intuition, they often form the (only) basis of strategic decision-making in situation in which more rationale-based strategizing breaks down for lack of reliable data or sheer complexity of the situation at hand. In many ways, however, they are critical to the organizations informal processes for strategic sense-making and on this basis, strategic decision-making. This paper lays out the groundwork for empirical research that is in the process of being initiated. The proposed research explores the extent to which heuristics are used in strategic management practice and the scope of their application.

## From “Issue-selling” to “Issue-buying”: What Generates Strategists’ Attention To Risks

Julie Mayer, *Paris Dauphine University*

The concept of “issue-selling” captures how internal and external actors influence strategists’ attention toward specific issues. According to the literature, issue-selling succeeds when strategists perceive the salience of the issue. In this paper, we argue that strategists’ attention also depends on how they perceive the issue-selling practices addressed to them. While issue-selling studies have mainly focused on why and how issue-selling is performed, this article focused on how issue-selling is perceived. We

studied how 40 top and middle managers perceived issue-selling actions performed by their risk manager. We show that issue-selling seller can generate attention through three different mechanisms. Instead of a linear process, this study suggests that issue-selling is a recursive process of negotiation between issue-sellers and strategists.

### Moving the World Without a Deliberate Strategy: Lessons from CERN

Timo Santalainen, *Aalto University*

This study describes application of alternative strategizing modes at CERN, a multinational mover-and-shaker expert organization. CERN's vision has been to understand the origins of matter, i.e. what happened immediately after the Big Bang, approximately 13,8 billion years ago. After decades-long rigorous research Higgs Particle was discovered. Impressive spin-offs ranging from The World Wide Web to medical imaging have also been produced. Researchers affiliated with CERN have received more than 10 Nobel Prizes. Some 400 doctoral theses are completed each year. Conventional management modes have not been seriously applied. It is concluded that deliberate strategy absence can free out-of-the-box strategic thinking and pave the way to open strategizing, i.e. powerful use of external network power and internal dissolving of silos in strategic doing.

### The Paradox of Stretch Goals: Why It Can Hurt Organizations

Chet Miller, *University of Houston*

Sim Sitkin, *Duke University*

Kelly E. See, *University of Colorado Denver*

What executive hasn't dreamed of achieving a seemingly impossible goal that could transform the organization? Something matching the scale of NASA's putting a person on the moon within ten years of being challenged to do so. In the parlance of the business world, these pursuits are often referred to as stretch goals. But are such extreme goals truly important sources of motivation and achievement – or are they destroyers of organizations more often than not? The answer to this question seems to depend upon whom you ask. Our research, however, offers systematic ways of thinking about stretch goals and the factors that determine whether they serve or harm an organization's best interests.

#### SESSION 101

### WHAT SHOULD GUIDE RESEARCH IN STRATEGY AND ENTREPRENEURSHIP? "BIG QUESTIONS" OR "BIG METHODS"?

TRACK K	Date	Tuesday, Sep 20
	Time	08:00 – 09:15
Parallel Panel	Room	Potsdam III

### What Should Guide Research in Strategy and Entrepreneurship? "Big Questions" or "Big Methods"?

#### Chair

Naga Lakshmi Damaraju, *Indian School of Business*

#### Panelists

Jay Barney, *University of Utah*

Alfonso Gambardella, *Bocconi University*

Glenn Hoetker, *Arizona State University*

Shaker Zahra, *University of Minnesota*

The trend to apply modern econometric models to larger databases is taking hold in both strategy and entrepreneurship. Though very helpful in addressing some of the known limitations of prior research, much of the work appears to center on re-examining well-established findings to determine their continued relevance and robustness. This is a worthwhile cause. This kind of research needs to be done to improve the quality of our scholarship and ensure accumulation of valid findings that can inform policy, practice and scholarship. Good methods are surely good science.

Yet, the near obsessive focus on methods can undermine the growth of the field and the development of creative ideas that undergird future empirical work. Distinguished panelists discuss these issues.

#### SESSION 303

### ENTREPRENEURIAL PRODUCT AND MARKET STRATEGIES

TRACK K	Date	Tuesday, Sep 20
	Time	08:00 – 09:15
Paper	Room	Schinkel III
Chair	Fernando Suarez, <i>Northeastern University</i>	

### Moving ahead of Rivals: Gaining Market Advantage through Product Imitation in Apple App Store

Hye Young Kang, *Boston University*

Fernando Suarez, *Northeastern University*

Strategy scholars have focused on deterring imitation to sustain superior performance. However, mastering imitation can be as important as preventing imitation in high-velocity environments. Despite this significance, there is a dearth of research on performance implications of imitation, and empirical studies are even rarer. This paper aims to extend our understanding on the effect of product imitation with an empirical analysis in the context of the Apple iOS app store. Focusing on the breadth and speed of imitation, we conceptualize imitation as a continuum. We find an inverted-U shape relationship between the breadth of imitation and product market performance, which is further enhanced when combined with an imitator's technological and market capabilities. Moreover, we find imitation speed to be associated with superior product market advantage.

### The Origins and Development of Organizational Knowledge – Implications for New Ventures' Product Scope Expansion

Niron Hashai, *Hebrew University of Jerusalem*

Ivo Zander, *Uppsala University*

We explore the origins and transformation of knowledge in new ventures and their implications for product scope expansion. We argue and show empirically that the share of the founder's technological knowledge in the firm's technological knowledge peaks in early stages of the new venture's development to then decrease monotonically. In parallel, the share of other firm members' technological knowledge increases, but then decreases to pave way for the technological knowledge of external stakeholders. Importantly, the extent of the founder's share of technological knowledge affects the new venture's product scope expansion, but in different directions along the new venture life cycle. During early years greater share of the founder's technological knowledge speeds up product scope expansion, but at later years it slows down product scope expansion.



## Techhnology-to-market Linking In New Ventures: Introducing Organizational Search Into Entrepreneurship

Petra Andries, *Ghent University*  
Bart Clarysse, *ETH Zurich*  
Sergio Costa, *University of Bath*

Whereas entrepreneurship literature typically assumes that founders' prior knowledge triggers the upfront identification of viable market applications, popular literature shows that ventures search for markets till long after foundation. Building upon organizational search literature, this study investigates how new technology ventures search for viable market applications. We performed a longitudinal multi-case analysis of five technology ventures. We find that they continue to search for markets after startup, and also have to engage in technology search to evaluate market alternatives. Whereas technology search takes the form of an algorithmic task, market search is heuristic in nature. We identify two different approaches to market search: targeted search implies that a market is identified and evaluated, while open search means that technology is broadcasted to all interested parties.

## The Young Venture Lifecycle Revisited: Stage-Contingent Benefits of Technical, Commercial & Process Activities

Alicia DeSantola, *Harvard University*  
Ranjay Gulati, *Harvard University*

We use a novel dataset on the internal organizations of 2,627 technology ventures to revisit life cycle theory's proposal that organizational activities associated with success may change as firms move from one developmental stage to the next. Conceptualizing of venture capital rounds as inflection points that demarcate stages in the organizational life course, we clarify and distinguish three types of activities: (1) technical activities (2) commercial activities and (3) process activities. We transcend existing descriptions of a loose need to "professionalize" by proposing a sequence of when each of these activities is associated with success in raising venture capital financing. Our findings advance a stage-contingent perspective on the benefits of organizing choices of young ventures.

### SESSION 120

## HUMAN CAPITAL AND SOCIAL CAPITAL

TRACK L	Date	Tuesday, Sep 20
	Time	08:00 – 09:15
Paper	Room	Charlottenburg II
Chair	Thomas P. Moliterno, <i>University of Massachusetts, Amherst</i>	

### ✿ Leveraging Who You Know by What You Know: Returns to Relational and Human Capital

Heejung Byun, *University of Maryland*  
Justin Frake, *University of Maryland*  
Rajshree Agarwal, *University of Maryland*

This paper investigates the interaction effects of relational and social capital on performance by examining the differential effects of exogenous relational capital shocks on individuals who have general vs. specialized knowledge expertise. We distinguish between demand side relational capital and supply side relational capital, and theorize that relative to generalists, specialists will suffer less from negative supply side relational capital shocks because of their deep knowledge and stronger demand side relational capital. Conversely, generalists will gain more from positive supply side relational capital shocks by leveraging them across a more diversified portfolio of activities. We test and find support for these hypotheses in the context of the US lobbying industry.

## Social Media as HR Strategy for Enhancing Employer Reputation

Serge da Motta Veiga, *American University*  
Brent Clark, *University of Nebraska at Omaha*  
Timothy Moake, *University of Missouri*

The popularity and value of social networking sites has stretched beyond its initial social connection purposes; today, they represent critical tools for individual and firm visibility. This study investigates whether having a Careers/Jobs page on social networking sites (i.e., Facebook, LinkedIn, and Twitter) can influence an organization's reputation as an employer. We further examine whether it is simply the fact of having a Careers/Jobs page, or actually communicating (i.e., posting, tweeting, etc.) on the website that gives the organization visibility to potential applicants. Finally, we analyze whether using some of these social networking sites is more beneficial than using others, with regards to an organization's reputation as an employer.

## Human Capital Resources and Unit Performance: The Impact of Experience and Social Capital

Alia Crocker, *Babson College*  
Thomas P. Moliterno, *University of Massachusetts, Amherst*

We examine how resources component to the unit-level human capital resource impact performance. Building on theory suggesting that variation in human capital is central to unit-level performance, we focus on depth and breadth of human capital experience. Further, we integrate social capital theory to explore the relational nature of human capital and its impact on unit-level performance. We find curvilinear associations: medium to high levels of human capital depth, and low levels of human capital breadth, are related to higher levels of unit-level performance. We also find a positive association between social capital and unit-level performance. Our findings extend multilevel theory, answer calls to integrate human and social capital, and further question the value of conceptualizing human capital in terms of firm-specificity.

## Human Capital and Performance Within and Across Levels: An Investigation of Impact without Interdependence

Rory Eckardt, *Binghamton University*  
Alia Crocker, *Babson College*

Scholars have started to investigate the microfoundations of human capital and performance. However, empirical investigation of this relationship, particularly within the context of multi-level strategic human capital resources is scarce. We examine contextual effects on individual performance and the subsequent impact these factors have on organizational outcomes. Our theoretical development and preliminary empirical results explain how the performance of individuals in an organization is a function of colleagues, even in the absence of task interdependence, and there is a subsequent upward impact on organizational value creation. Our study takes a step towards better understanding microfoundations and contextual factors of human capital resource-based performance outcomes at multiple levels in the organization.

## SESSION 106

## GOVERNANCE, CONTRACTS, AND (IN) FORMAL LEGAL INSTITUTIONS: EXAMINING COMPLEMENTS VERSUS SUBSTITUTES

<b>TRACK N</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Charlottenburg III

**Chair** Albert Jolink, *Coventry University*

### Governing Alliances: The Role of Partner and Alliance Dissimilarity and Equity Experience

Eva Niesten, *University of Manchester*

Albert Jolink, *Coventry University*

We examine the choice for equity alliance governance structures among similar and dissimilar partners. On the basis of 3724 alliance governance choices between 2009 and 2011 we capture the likelihood that firms choose an equity governance structure for their inter-firm relation. We explain the governance choice by looking at dissimilarity measures of partners, such as industry dissimilarity and country dissimilarity, and prior experience with equity alliances. The results from our logistic regression show that experienced firms with dissimilar partners, both in terms of industry and in terms of country, have higher odds of choosing equity governance. Our findings contribute to the literature in strategic management by offering insights into how inter-firm collaborations serve the reduction of uncertainty in a dynamic environment.

### Liberty in Law? Intellectual Property Rights and Global Alliance Networks

Sarath Balachandran, *University of Pennsylvania*

Exequiel Hernandez, *University of Pennsylvania*

Do formal legal institutions complement or substitute informal network-based mechanisms of knowledge protection? We explored how firms' global networks changed in response to reforms in IPR-laws in their home countries. Post-reform, firms established more international alliances, particularly if they operated in IP-intensive industries, and did so with partners from a greater diversity of countries. The significance of status as a predictor of international alliance formation decreased after IPR-reform, in line with a substitution effect that 'democratized' access to the network. The closure of firms' networks increased with stronger IPR-laws, in line with a complementarity effect that enhanced the need for norm-based social control to deal with the higher volume of knowledge-related activity. The increase in closure was stronger for firms of low status before IPR-reform.

### ★ The Impact of Promotion and Prevention Contracts on Trust in Repeated Exchanges: An Experimental Investigation

Libby Weber, *University of California, Irvine*

Christopher Bauman, *University of California, Irvine*

Scholars continue to debate whether contracts and trust are complements or substitutes. Empirical evidence supports both views, but prior studies do not consider psychological and behavioral impacts of contract frames. Drawing on regulatory focus theory, we report three experiments that examine how prevention and promotion frames impact the on-going exchange at different stages. Study 1 found greater trust under promotion than prevention contracts following repeated positive exchanges. Study 2 found violations of exchange expectations were more damaging to trust under promotion than prevention contracts. Study 3 found increased cooperation under promotion than prevention contracts instituted after a violation of exchange expectations under informal governance. Our results show prevention and promotion contracts are differently suited to develop and maintain trust and reinstate cooperation under different circumstances.

## Generating Value from Openness: Corporate Contributions to the Commons

Dilan Aksoy Yurdagul, *Carlos III University of Madrid*

Sonali Shah, *University of Illinois-Urbana Champaign*

Firms are increasingly contributing knowledge to the open and collaborative product development organizations known as user innovation communities. We build a theoretical basis on recent work in the area of user and community-based innovation to explain how insight from innovative users can generate value for firms. We test our hypotheses on a novel data set that captures the stock market response to open source code contributions made by public, U.S.-based, software firms over a thirteen-year period. Two key findings are uncovered. First, knowledge contributions made available to community platforms generate greater value for firms than contributions made available through firms' own websites. Second, contributions of knowledge intended for new project launch rather than contributions to an ongoing project generate greater returns.

## SESSION 204

## EFFECTS AND EFFECTIVENESS OF STRATEGIC LEADERS

<b>TRACK O</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	King

**Facilitator** Nikolaos Kavadis, *Carlos III University of Madrid*

### A Model of the Phases of Director Effectiveness Over Time

Jill Brown, *Bentley University*

Andrew Ward, *Lehigh University*

Ann Mooney Murphy, *Stevens Institute of Technology*

Human capital and social capital theories suggest that a director's effectiveness will shift during his or her tenure on the board due to factors such as task knowledge, information diversity, task interest and power. Additionally, executive cognition and agency theories suggest that a director's effectiveness may change with tenure due to cognitive rigidity and entrenchment. Integrating these theories, we develop a model of the phases of director effectiveness, based on a director's ability to advise and monitor over time, as well the amount of firm-specific human and social capital a director possesses. Our model has implications for both academics and practitioners as we show how director tenure exhibits a different pattern and timeline from the seasons of CEO tenure, with implications for firm governance.

### Do Board Chairs Matter?: The Influence Of Board Chairs On Firm Performance

Michael Withers, *Texas A&M University*

Markus Fitza, *Frankfurt School of Finance and Management*

We use a variance decomposition methodology to assess the degree to which board chairs may influence their companies' performance. In doing so, we add to the literature examining the role and influence of board chairs. Our results indicate that the board chair effect is substantial at about 9 percent. Drawing on past corporate governance research, we also theorize and show how this board chair effect is contingent on the task environment in which firms operate within. In particular, we find that board chairs influence firm performance to a larger degree in high munificence, high dynamism, and high complexity environments compared to low munificence, low dynamism, and low complexity environments, respectively.



## CEO Effects: Managing With Irresponsible Style

Guoli Chen, *INSEAD*

Shuqing Luo, *National University of Singapore*

We examine whether CEOs have fixed effects on corporate socially irresponsible (CSiR) behaviors. Tracking 204 CEOs moving across firms over time, we find CEOs exert unique and economically significant influence on firms' CSiR activities, including firms' weak compliance over environmental regulations, violation against employee safety rules and civil rights, and financial misreporting. We discuss our paper's contribution to the executive leadership literature and research on CSiR.

## From Wrong to Right The Role of Error Acknowledgment in Managing Strategic Errors

Vincent Giolito, *ULB*

Paul Verdin, *Free University of Brussels*

Organizational errors, or deviations from organizationally specified rules and expectations from multiple participants, sometimes have strategic consequences for firms. Under intense pressure, top executives' decisions and leadership may affect organizational survival, long-term objectives and essential resource allocation. To explore what top executives perceive as crucial in successfully managing organizational errors of strategic magnitude, we conducted a qualitative investigation with interviews of CEOs and chairmen of financial services groups employing close to 900,000 people and two case studies. Our findings show that error acknowledgment by top executives is a pivotal point for containing consequences and re-orienting strategy. Key to success is the timing and tone of acknowledgment. Invitations for research and implications for practice are discussed.

## Do Imposed Changes in Board Independence Enhance or Exacerbate the Governance Challenge?

Ting Yao, *University of North Carolina at Chapel Hill*

Hugh Oneill, *University of North Carolina at Chapel Hill*

Board dynamic has been identified as a critical element for future corporate governance research, but gaining access to boardrooms are extremely difficult. This study investigated board dynamics by faultline analysis, which provides information on number of subgroups on boards and the memberships of each subgroup. We tested whether the increasing level of board independence challenges the dominant board dynamic—CEO domination. Building on agency theory and structural elaboration theory, we further examined whether monitoring needs, CEO interests (reducing the potential threat of independent directors) and CEO power influence board independence and board dynamic. Our results show that the increase in board dependence is more likely to be symbolic rather than material, and the CEO dominant dynamic has not changed.

## What Value Do Functional Executives Provide For Firms? The Case Of The Chief Strategy Officer

Christine Scheef, *University of St. Gallen*

Elisabeth Radek, *University of St. Gallen*

Markus Menz, *University of Geneva*

While functional executives have become increasingly prevalent in top management teams, there is a lack of understanding if, how, and when they add value for their firms. We address this gap by arguing that functional executives' contribution to firm performance depends on their power within firms and firms' need for the respective functional expertise as determined by the firm's specific context. Examining the chief strategy officer (CSO) as focal executive, we find that for firms in need of strategic guidance, such as during declining growth or in stable environments, powerful CSOs positively affect firm performance, whereas for firms in need of greater operational efficiency powerful CSOs are detrimental. These results suggest that if a functional executive role makes a difference for the firm is context-dependent.

## SESSION 218

### DECISION-MAKING BIASES

#### TRACK P

Date Tuesday, Sep 20

Time 08:00 – 09:15

#### Paper

Room

Tiergarten I

#### Chair

Tomasz Obloj, *HEC-Paris*

## A Bias to an End: The Effect of Systematic Errors in Problem Formulation

Aleksey Korniychuk, *HEC Paris*

Tomasz Obloj, *HEC-Paris*

Organizations define strategic problems, set objectives and search for superior configurations. An important property of this process is that organizational understanding is imperfect, and prone to biases. We show that organizations can use biases in problem formulation to pursue their objectives more efficiently. Specifically, overcomplicating (i.e. bias towards the error of commission in defining interdependencies) dominates when either time or performance is primary. Inversely, oversimplifying (i.e. bias towards the error of omission in defining interdependencies) facilitates achievement when both time and performance are critical. Our work illustrates that when formulating strategic problems organizations may want to be intentionally biased rather than unbiased.

## Ambiguity Attitudes Toward Chance and Performance: The Role of Overconfidence

Anisa Shyti, *IE Business School*

Corina Paraschiv, *HEC-Paris*

Most decisions vulnerable to overconfidence are characterized by ambiguity, a neglected aspect in past studies. Through a lab experiment, we investigate attitudes toward chance-related and performance-related ambiguity. Results show that ambiguity attitudes are likelihood-dependent, as participants are ambiguity-seeking at low likelihoods and ambiguity-averse at high likelihoods. However, for performance-related ambiguity, individuals are more sensitive to likelihood changes and less ambiguity-averse at low likelihoods. We classify over- and underconfident participants based on the difference between expected and realized performance on a skill task. Results show that both groups treat chance-related ambiguity homogeneously; stark differences among groups exist for performance-related ambiguity throughout likelihood levels. We contribute to past literature showing that overconfidence reduces ambiguity aversion for performance-related ambiguity, but it does not affect behavior toward chance-related ambiguity.

## The Icarus Effect: The Double-edged Sword of Peer Performance Information

Thorsten Wahle, *University of Lugano*

Joao Duarte, *University of Lugano*

Internal rankings designed to foster innovation in knowledge-driven organizations are becoming ever more prevalent. Groupon is handing out expensive and recognizable jackets to top performers, IBM names top employees IBM fellows, and business schools are giving away awards for excellence in teaching and publishing. In this paper, we wish to understand how the existence of such evaluation schemes influences firm behavior. To study how information about peer performance may affect organizational learning, we conducted a series of experiments in which participants were asked to play as simple task of balancing exploration and exploitation. Our findings suggest that, while information about the performance of others leads to decreased exploratory behavior, performance is higher when participants are exposed to information about the value of the best alternative.

## Impact of Goal Heterogeneity and Behavioral Integration on Decision Comprehensiveness: A Longitudinal Approach

Erim Ergene, *University of Massachusetts Amherst*

Steven Floyd, *University of Massachusetts Amherst*

Decision comprehensiveness is an important factor in determining the outcomes of decision-making processes. In this paper, we investigate its antecedents that stem from individual heterogeneity and team level behaviors. Specifically, we argue that decision comprehensiveness is negatively impacted by heterogeneity of individual goals and this negative impact can be overcome by the level of behavioral integration in the team. To test our hypotheses, we use a sample of students undertaking a business simulation game. Our longitudinal results show that goal heterogeneity negatively impacts both comprehensiveness of decision-making and the level of behavioral integration in the team. We also show that behavioral integration not only positively impacts decision comprehensiveness but also fully mediates the negative relationship between heterogeneity and comprehensiveness.

### SESSION 220

## BEHAVIORAL AMBIDEXTERITY

<b>TRACK P</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Charlottenburg I

**Chair** Razvan Lungeanu, *Pennsylvania State University*

## Balancing Exploration and Exploitation: The Relevance of Public Policy for Explaining Fluctuations in Firm Performance

Claudia Dobliger, *University of Regensburg*

William Wales, *University at Albany*

Building upon the perspective that steadier business outcomes contribute to stronger firm-stakeholder relationships, the present study uses a non-linear modeling approach to examine how the balance between exploration and exploitation affects performance fluctuations within the context of renewable energy firms. Moreover, we examine whether demand-pull policies affect the level of performance variability based on the direction of the imbalance. Using survey data of 140 German renewable energy firms and an archival measure of firm performance variance, we find that performance fluctuations increase as firms become farther 'out of balance', and that demand-pull policies reverse this effect when the imbalance is tilted towards exploitation, but reinforce it for exploration. These findings offer an improved understanding of the linkage between ambidexterity, demand-pull policies, and firm performance variance.

## Ambidextrous Board Members and their Outsized Influence on Firm Strategy

Razvan Lungeanu, *Pennsylvania State University*

Edward Zajac, *Northwestern University*

This study advances a new perspective on heterogeneous director influence that introduces the notion of the ambidextrous director. We synthesize relevant strands of research in strategy/ organization theory and human cognition to suggest that the most influential directors are those who possess simultaneously two alternative forms of fundamental human expertise (routine/ exploitative and adaptive/ exploratory). We examine how these ambidextrous directors are more influential than unidextrous directors in shaping firm strategy, as well as specify and test the moderating roles of the source, timing, and context of a director's expertise acquisition. We find considerable support for our hypotheses using an extensive multi-year dataset that tracks all firms that went public in the U.S. across multiple business cycles (1997, 2001, and 2004) until 2011.

## Managing Contradictory Strategic Demands for Creative Performance

Goran Calic, *McMaster University*

Sebastien Helie, *Purdue University*

This study develops a theoretical account of how contradictory strategic demands, a subset of paradoxes, can result in creativity (or stuckness), and as a result superior (or inferior) organizational performance. We model our theory using a cognitively-plausible simulation of creative problem solving.

## When the Parent Imitates the Child: Renewal through the Separation and Re-integration of a Subsidiary

Martin Friesl, *Lancaster University*

Lionel Garreau, *Paris Dauphine University*

Loizos Heracleous, *University of Warwick*

This paper investigates how structural ambidexterity may lead to strategic renewal of the focal firm. Prior research has emphasized the link between sequential ambidexterity and renewal. However, how renewal may actually be accomplished through 'structural' ambidexterity is not well understood. We draw on the longitudinal analysis of the separation and subsequent re-integration of a business unit. We explore the process through which the separation and reintegration of activities took place, which enable us to shed light on the way this company achieved strategic renewal. The temporary existence of the subsidiary is conceptualized as a proximate isomorphic pressure, which is the core mechanism of this renewal. We contribute to the ambidexterity literature as well as research on strategic renewal.



SESSION 312  
LIFETIME ACHIEVEMENT KEYNOTE AND AWARD

TRACK PLENARY	Date	Tuesday, Sep 20
	Time	09:30 – 10:30
Keynotes	Room	Potsdam I

☀ Lifetime Achievement Keynote and Award

Moderator

Speaker

Joe Kaeser, Siemens AG

Keynote by Joe Kaeser, CEO of Siemens AG, Munich, and recipient of the 2016 SMS Lifetime Achievement Award



**JOE KAESER** is President and Chief Executive Officer of Siemens AG, a global powerhouse in electronics and electrical engineering. He has over 35 years of experience at Siemens, where he has held a variety of leading management positions in finance and strategy both in and outside Germany. Joe Kaeser began his career at Siemens in 1980 in the field of components and semiconductors, where he also worked in Malaysia and the U.S. In 1999, he joined the Corporate Finance department. In 2001, he was appointed Chief Financial Officer of the Information and Communication Mobile Group. From 2004 to 2006, he served as Siemens' Chief Strategy Officer. Immediately prior to his appointment as CEO in August 2013, Joe Kaeser had served as Siemens' Chief Financial Officer for seven years. Joe Kaeser is member of the supervisory boards of Daimler AG, Allianz Deutschland AG, and NXP Semiconductors N.V.

## SESSION 169

**LINKAGES BETWEEN IRRESPONSIBILITY, EMERGING MARKETS, GOVERNANCE, AND LEGITIMACY**

<b>TRACK C</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Common Ground</b>	<b>Room</b>	Queen
<b>Facilitator</b>	Shahzad Ansari, <i>University of Cambridge</i>	

**Strategic Irresponsibility and Firm Performance**Oscar Jerome Stewart, *San Francisco State University*Denis Arnold, *University of North Carolina at Charlotte*

Organizational scholarship assumes that corporate irresponsibility (CI) is largely detrimental to financial performance. Alternatively, CI may sometimes work in firms' favor, though at the expense of stakeholders. We explain the proliferation of CI as a pervasive and persistent strategy to gain competitive advantage. We predict, first, that firms engage in corporate strategic irresponsibility (CSI) to enhance short-term financial performance. We then theorize that CSI is accompanied by buffering mechanisms against external control agents. Second, we predict that firms engaging in CSI will use public-facing CSR as a decoupling tool that signals conformity to expectations and obscures their CSI. Third, we predict that firms engaging in CSI will use corporate political activity to reduce environmental uncertainty that threatens their ability to continue engaging in CSI.

**Breaking the Iron Law: Corporate Strategies for Maintaining the License to Operate**Ville-Pekka Sorsa, *Hanken School of Economics*Arno Kourula, *University of Amsterdam*Jukka Rintamäki, *Lund University*

While contemporary notions of corporate social responsibility often depict the corporation as being in danger of being brought down by societal stakeholders, companies rarely seem to lose their license to operate even after serious transgressions. The Iron Law of Corporate Social Responsibility – that irresponsible companies will lose their license to operate – thus does not seem to hold. We identify three conditions that support firms maintaining their license to operate: 1) Contestation shifts to other actors, 2) insufficient contestation, and 3) deficient enforcement of institutional mechanisms. As such the notion of license to operate offers opportunities for rethinking dependent variables in strategy scholarship and for rewriting what we consider a rusty Iron Law of Corporate Social Responsibility.

**Emerging Market Multinationals' Social Legitimacy Strategies**Elisa Giuliani, *University of Pisa*Andrea Vezzulli, *University of Pisa*Federica Nieri, *University of Pisa*Davide Fiaschi, *University of Pisa*

Emerging country multinationals (EMNEs) are increasingly adopting corporate social responsibility (CSR) policies in order to compensate the lack of legitimacy. The relationship between these policies and their corporate social irresponsibility (CSIR), may change when considering CSIR events occurring in or outside the EMNE's home country and can be mediated by the type of their political status (e.g.: state owned vs. privately-owned Enterprises). We explore these questions by analyzing a novel dataset collecting information on different types of CSR policies adopted by a sample of 245 EMNEs and their involvement in human rights violations occurred worldwide during the period 2003–2012. We find that state-owned EMNEs enact different social legitimization strategies as compared to privately-owned EMNEs.

**To Municipalize or To Privatize?: Water Company Governance Form and Service Quality**Thomas Lyon, *University of Michigan*Wren Montgomery, *University of Windsor*Dan Zhao, *University of Michigan*

We explore how changes in governance form affect performance of water systems in terms of compliance with water quality standards. We develop hypotheses drawing on literature in corporate social responsibility, attention-based view of the firm, political economy, and test them using a panel of data on 179,927 water systems in the U.S. from 2006 to 2014. By combining matching and differences-in-differences to construct comparable counterfactual control groups, we present the first large-scale empirical study on the governance form – service quality relationship for US water systems that addresses endogeneity concerns. The results indicate that privatization produces an improvement in water quality in the short term, which is reversed within five years, generating insignificant effect on average. Municipalization leads to significant and persistent improvements in performance.

**The Market for Skin Whitening Products: Empowering Women or Aggravating Their Disempowerment?**Arzi Adbi, *INSEAD*Chirantan Chatterjee, *Indian Institute of Management—Bangalore*Zoe Kinias, *INSEAD*Jasjit Singh, *INSEAD*

Widespread desire for fair complexion has created a large global market for skin whitening, primarily targeting women. Free market advocates see this as satisfying existing demand, empowering women by providing access to products they desire. However, critics argue that this might reduce social welfare by aggravating undesirable norms, promoting a vicious cycle of women's disempowerment. We provide archival and experimental evidence that the demand for skin whitening products, especially those where the whitening potentially comes with adverse side effects, is most prevalent when women feel less empowered to start with. A potential explanation is that availability of such products might make vulnerable women feel they have no choice but to buy these, reflecting a social cost not captured in a neoclassical view of exogenous preferences.

**Strategic Heterogeneity in Environmental Management System Adoption Amongst Chinese Business Group Affiliates**Ruxi Wang, *Erasmus University Rotterdam*

Business group attributes directly influence the strategic decision making process among group affiliates. In this article, I probe into the adoption of a corporate environmental management systems (EMS) to explore how the pressure sensitive and pressure resistant factors bring about strategic heterogeneity among business group affiliates in China. Hypotheses on dispositional and situational factors are tested on a panel dataset of Chinese listed firms. Results show that family ownership and a business model centered on B2C deliveries are positively associated with the adoption of the EMS, while the power of the ultimate controller, degree of diversification, and political connections have negative impacts on the EMS adoption among business group affiliates. My study harbors novel contributions to the business group and corporate environmentalism literature.



## SESSION 60

## REPUTATION, STATUS, AND SIGNALING

<b>TRACK E</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Schinkel I/II

**Chair** Brent Goldfarb, *University of Maryland*

### ★ Why Victories In Certification Contests Did Not Affect Survival Of Organizations In American Automobile Industry

Brent Goldfarb, *University of Maryland*  
 Anastasiya Zavyalova, *Rice University*  
 Sandeep Devanatha Pillai, *University of Maryland*

To address recent concerns raised by management researchers about the biases against replication studies, we replicate a highly cited study: “The social construction of reputation: Certification contests, legitimization, and the survival of organizations in the American automobile industry: 1895-1912” (Rao, 1994). We reconstruct the dataset and, as did Rao, find a negative relationship between victories in races and firm exit. We then improve on the original methodology and collect information on race participation. The inclusion of this variable leads to two stark findings. First, firms whose cars participated in more races were more likely to survive. Second, once we control for participation, we fail to find a relationship between victories and survival. Our results undermine the theoretical interpretations of the relationship between victories and survival.

### Organizational Status, Pattern of Lateral Moves and Professional Performance

Young-Kyu Kim, *Korea University*

This study investigates the interplay between organizational status and individual decision and performance, using the legal service industry. First, this study considers different motivations of the demand side and the supply side to understand the pattern of lateral moves. We found that lateral moves are localized by status. Second, different organizational status provides different opportunity sets. Thus, individuals of a certain status are more likely to become entrepreneurs. Third, this study investigates the effect of organizational status on individual reputation and performance. In the case of lateral moves, a change in organizational status was found to have no effect on individual performance but a change in organizational size did.

### Recovering from Product Recalls

Pawnee Changphao, *University of Texas at Dallas*

While studies showing that product recalls hurt firm performance are common, studies on how long it takes for firms to recover sales losses associated with product recalls remain scant. Product recall is not the end of the game, but possibly a starting point to regain competitive advantage. We fill this gap by studying the recovery time of the sales to pre-recall level following a firm's product recalls. We use signaling theory to investigate how firms' recall strategies (proactive and passive) handle recall crises and how different levels of recall severity affect the recovery time following recalls. We examine how firm reputation moderates the relationships above. We test our hypotheses by employing event history analysis of drug recalls during the 10-year period from 2003 to 2012.

### Disclosure to Attract or Deter? How Firms Use Public Disclosures To Capture Value from Innovation

Sharon James, *Arkansas State University*

Prior research highlights two strategic motivations for disclosure—to deter competitive entry or to attract alliance partners that have complementary capabilities needed to commercialize innovations. This study explores these motivations by examining the impact of disclosure on new product announcements and alliance formations. Two key findings highlight that a firm's motivation for public disclosure varies with important firm

characteristics. R&D disclosure increases the likelihood that firms will make new product announcements and form new alliances. However, for firms with demonstrated prior innovation success, R&D disclosure had a negative effect on the likelihood of alliance formations. These results suggest that the strategic motivation for disclosure to deter competitive entry is more salient when firms have strong technological capabilities and internal complementary resources needed to commercialize innovations.

## SESSION 125

## RESOURCE ALLOCATION APPROACHES

<b>TRACK F, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Tiergarten I

**Chair** Timothy Folta, *University of Connecticut*

### Identifying Internal Markets for Resource Redeployment

Timothy Folta, *University of Connecticut*  
 Teresa Antonia Dickler, *University of Giessen*

An emerging literature in corporate strategy argues that multi-business firms might benefit from an internal market for non-capital resources, including plant and equipment, human capital, and technology. It argues that firms benefit from having the flexibility to withdraw resources from one business and redeploy them to another. However, nearly all prior work is theoretical, and not empirical since it is challenging to (a) distinguish resource redeployment from resource sharing, (b) observe resource redeployments, and (c) identify a firm's potential for redeployment. We overcome these challenges by developing a redeployability index based on the applicability of over 1000 types of tangible and human capital to other businesses in a firm's portfolio. This index will inspire further empirical study and advance our understanding of internal resource markets.

### Process Matters – How Strategic Decision-Making Characteristics Impact Firms' Capital Allocation Efficiency

Maximilian Strauch, *Technical University of Berlin*  
 Ulrich Pidun, *Boston Consulting Group*  
 Dodo zu Knyphausen-Aufsess, *Technical University of Berlin*

Our empirical study examines the link between decision-making process characteristics and the efficiency of firms' capital allocation decisions. Building on strategic decision-making process research (SDMP), we derive hypotheses on the impact of process formalization, analytical comprehensiveness, and manager involvement on capital allocation efficiency, and also discuss the moderating effect of firm-level unrelated diversification and environmental dynamics. We will test our hypotheses with structural equation modeling on an international sample of large multi-business firms, using unique survey data as well as objective financial data. Our research will aid theory building and support practitioners seeking to allocate capital more efficiently.

### ★ Product-Market Competition and the Redistribution of Financial Resources in the Multi-Business Firm

Raffaele Morandi Stagni, *IE Business School*  
 Juan Santalo, *IE Business School*

This study exploits quasi-natural experiments in the form of large import tariff cuts to investigate how diversified firms allocate non scale-free resources across their business units (BUs) as a consequence of an increase in competition. Consistent with our hypotheses, we find that a tariff cut in the operating product-market of one the BUs of the firm triggers a reallocation of financial resources in favor of the BU affected by the tariff cut. Further, we find that the competitive position of the BU affected by the tariff cut positively moderates the relationship. In contrast, the relative size of the BU subject to the tariff cut negatively moderates the relationship.



## Corporate Strategy, Technological Trajectory, and Performance

Andrea Contigiani, *University of Pennsylvania*

This project investigates how corporate strategy affects performance through the channel of technological trajectory. While the literature has traditionally looked at corporate strategy choice through the lens of transaction cost economics (Williamson, 1985), recent work has highlighted the nature of the firm resource base as a key driver of this decision problem (Capron and Mitchell, 2012). In this spirit, I characterize each corporate strategy mode—internal development, alliance, acquisition—in terms of its deviation from the firm's technological trajectory. Using a sample of US technology firms in period 1990–2003, I estimate the effect of technological distance in each corporate strategy mode on firm performance. This study has implications for how firms should allocate exploratory and exploitative technological investments across corporate strategy modes.

### SESSION 301

## OUTSOURCING, CAPABILITY DEVELOPMENT, AND THE BLURRING OF FIRM BOUNDARIES

<b>TRACK F</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Parallel Panel</b>	<b>Room</b>	Bellevue

### Outsourcing, Capability Development, and the Blurring of Firm Boundaries

#### Chairs

Saikat Chaudhuri, *University of Pennsylvania*

Joydeep Chatterjee, *University of Washington Bothell*

#### Panelists

Glenn Hoetker, *Arizona State University*

Harbir Singh, *University of Pennsylvania*

Gordon Walker, *Southern Methodist University*

Research on outsourcing and offshoring is increasing among scholars of strategy, organizations, international business, and innovation. While the study of motivations, processes, and outcomes surrounding offshore outsourcing may be interesting, research on these transactions also provides important insights on the fundamental organizational phenomena underlying them. Using multiple theoretical lenses, this Panel will examine work on offshore outsourcing which contributes to our understanding of organization design and the disaggregation of activities in the value chain – especially the definition of firm boundaries, capability building, task delineation, knowledge transfer, transaction costs, coordination, and incentives. This interactive Panel is designed to familiarize scholars with theoretical and analytical issues in studying offshore outsourcing, identify promising lines of inquiry, and foster a community to cohesively advance knowledge on the topic.

### SESSION 155

## EMERGING MARKET FIRM INTERNATIONALIZATION

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Charlottenburg I

**Chair** Sreevas Sahasranamam, *Indian Institute of Management Kozhikode*

### Diversified Business Group and Internationalization: A Social Capital Perspective

Anish Purkayastha, *Indian Institute of Management—Ahmedabad*

Vikas Kumar, *University of Sydney*

We utilize social capital theory as our analytical lens and take a nuanced view of diversity of business group affiliated firms to explain

internationalization of diversified business group. We argue that inward internationalization forms external social capital, creates greater opportunities for diversified business group affiliated firms to connect to a larger set of foreign firms through the network of technological resource suppliers and expand internationally. Collective presence at group level in multiple international markets complements diversified business group affiliated firms' domestic competitive advantages and such group level preferential access to international markets forms internal social capital, and facilitates internationalization process of diversified business group affiliated firms. Data from 3203 Indian business group affiliated firms over a nine years period is used to test predicted relationships.

### The Internationalization of Emerging Economy Firms: Substitution and Location Choice

Linda Rademaker, *BI Norwegian Business School*

While the international business literature has become increasingly interested in technology-seeking foreign direct investment, little is known about the alternatives to sourcing knowledge abroad and how domestic strategies influence the propensity of emerging economy firms to invest abroad in search of knowledge. This study examines how international joint ventures with foreign multinational enterprises in a firm's host country influence the location choice of emerging economy firms. Using data on inward and outward foreign direct investment in China in the period 1978–2014 we find that domestic joint venture and firms' absorptive capacity significantly influence the preference for more technologically advanced host countries. Our study thereby contribute to our understanding of emerging market multinational enterprises, the liability of foreignness, and knowledge-seeking foreign direct investment.

### FDI-based Entry Mode Strategies Of EMFs – The Role of Host Market Contextual Conditions

Mukundhan K.V., *Indian Institute of Management Tiruchirappalli*

Sreevas Sahasranamam, *Indian Institute of Management Kozhikode*

We consider the effects of three variables at the host country level—foreign capital inflow, level of national level absorptive capacities and the degree of urbanization – in explaining an EMF's choice of market entry modes. Further, we study whether the relationship between these variables and entry mode choices vary with the level of institutional stability in the host countries. We tested our hypotheses on a sample of 5865 Indian FDI-based entries between 2007–2014. We find that Indian firms emphasize WOS modes when entering host countries with high foreign capital flows. We also find that Indian firms prefer to enter countries with high institutional stability through JVs irrespective of the level of foreign capital, absorptive capacity and degree of urbanization in the host countries.

### Foreign Direct Investment Decisions of Chinese Privately Owned Firms: An Institutional Escapism Perspective

Hongbin Tan, *National University of Singapore*

Institutional escapism perspective conceptualizes outward FDI (OFDI) by emerging market firms as an escape response to home country institutional constraints in terms of government intervention. This perspective, however, contradicts with the argument that lots of OFDI is supported by home country governments. To address the paradox, we realize opposite effects of government intervention and introducing the concept of institutional discrimination, especially the discrimination against privately owned enterprises (POEs) and in favor of SOEs. We argue the escapism logic is better applied to POEs, since SOEs benefit from the "intervention". Our empirical results suggest the greater the perceived institutional discrimination, the more likely POEs are to make OFDI decisions. This effect is stronger when POEs have ownership advantages and is weaker when they are politically connected.



## SESSION 182

### THINKING ABOUT BUSINESS MODELS

**TRACK H** **Date** Tuesday, Sep 20

**Time** 11:00 – 12:15

**Paper** **Room** Schinkel III

**Chair** Patricio Rojas, *ESE Business School*

#### What is an Inclusive Business Model? An 'Extended Resource-based Theory' Definition

Jeremy Tantely Ranjatoelina, *University of Lille*

The research on inclusive business models is in general focused on developing countries' low-income people. However, some inclusive enterprises in developed countries as in France for instance are established, and do not only fight against economic exclusion. This existence reveals the relevance and the necessity to (re)define, in an holistic perspective, what an inclusive business is. In this paper, we forward the 'extended resource-based theory' and highlight an inclusive strategic intent in favor of a category of "excluded" or "wasted" human resources. We base our discussion on a multiple cases-investigation of three French diversified inclusive-enterprises, in order to suggest an extended and brand new definition of the inclusive business model, and several implications for strategy and for society.

#### The Relationship between Business Models, Organizational Reliability, and Value Destruction

Patricio Rojas, *ESE Business School*

Business models play an important role in firms' strategy, as they describe how value is created, delivered, and captured. Despite the relevance of testing business models' cause-and-effect relationships, there is scant research addressing this topic, and prior studies provide contradictory evidence. Combining insights from the business model and the organizational risk and safety literatures, this paper investigates the relationship between causal models such as business model representations and strategy maps, and the concept of value, and finds that causal models contribute to the creation of reliability capabilities, which in turn reduce the incidence of disruptions and breakdowns, counteracting processes of value destruction.

#### Initiating the Strategy Process using Design Thinking

Claude Diderich, *Diderich Consulting GmbH*

Initiating the strategy development process is a complex undertaking. Assumptions, like a formulated mission statement or taking a resource based stance, made early on can have a negative impact on later stages of the strategy development process. Based on exploratory design, we propose a novel approach for initiating the strategy development process using design thinking. By combining a lightweight business model framework of a firm, competition, and industry with a design thinking based process, we identify the key characteristics around which a firm should design its strategy, called its strategy view. Our approach is simple to understand and apply by executives and managers not formally trained in strategy development. It focuses on those aspects that matter and avoids non value adding analysis.

## SESSION 258

### LEARNING FROM FEEDBACK

**TRACK I, TRACK X** **Date** Tuesday, Sep 20

**Time** 11:00 – 12:15

**Common Ground** **Room** Tiergarten III

**Facilitator** Mario Schijven, *University of Illinois at Urbana-Champaign*

#### Capability Assembly from Routines: Learning Mechanisms in Turbulent Contexts

Ari Ginsberg, *New York University*

Joakim Netz, *Stockholm University*

How do changes in organizational routines lead to capability development that produce strategic renewal? To examine this question, we designed a longitudinal study with a critical case sampling. Our findings suggest that the higher order capability of knowing how to change routines in a way that enhances organizational learning plays a critical role, not only in facilitating changes in routines that are either the repositories of operational or dynamic capabilities, but also in mediating the influence of such changes on strategic renewal. We advance theory about capability learning mechanisms and their boundary conditions in turbulent contexts.

#### Learning From Performance Feedback In Complex Environments

Thomas Keil, *University of Zurich*

Konstantinos Kostopoulos, *University of Piraeus*

Evangelos Syrigos, *University of Zurich*

Classical models of experiential learning that assume that the organization adjusts behavior based on performance feedback break down when feedback is delayed or when simultaneous feedback from different process stages combines to produce the outcome. We contribute to the understanding of learning from performance feedback in such complex environments through an empirical study of how pharmaceutical firms respond to simultaneous performance feedback at multiple stages of the research and development process. We argue and show that organizations may observe feedback from multiple intermediary stages and adjust their behavior depending on the information content of that feedback thereby utilizing intermediate feedback for problem definition. As a result, performance feedback may lead to a broader and at times different set of responses than prior theory would suggest.

#### Learning from Extreme vs. Moderate Successes and Failures

Sunkee Lee, *INSEAD*

Ji-Yub Kim, *INSEAD*

Existing work studying the consequences of success and failure experience on organizational learning tends to treat success and failure as dichotomous constructs. However, varying degrees of success and failure exist on the performance continuum. We posit that different levels of success and failure experience may lead to different learning behaviors. Specifically, we predict that extreme success and failure will decrease exploration while moderate success and failure will increase exploration. We also explore how variability in performance influences the relationship between success/failure and exploration. We test our hypotheses in the context of a flash-deal e-commerce company. Consistent with our predictions, we find that extreme performance experiences decrease exploration but moderate performance experiences increase exploration, and that performance variability moderates these relationships in different ways.

## Routines Change and Feedback Mechanisms: A Focus on Prototyping in Product Design and Development

Beatrice D'Ippolito, *University of York*  
 Marcela Miozzo, *University of Manchester*  
 Davide Consoli, *INGENIO (CSIC-UPV)*

In this paper we seek to explore how particular configurations of the firm can support the emergence of organizational routines. We argue that a focus on feedback mechanisms connecting different routine-using and routine-generating functionalities within firms is needed to address this particular issue. We ask the following question: how can different types of feedback explain how routines enable creativity? The analysis is framed in the empirical context of the design activity. It is argued that the successful combination of aesthetic and efficiency that stand at heart of design relies on the creation of dedicated routines aimed at aligning different, and at times incompatible, forms of know-how that are stored in different places within the organization.

## The Impact Of Success And Failure Experience On Organisational Learning In The Biotech Industry

Antonio Garzon Vico, *University College Dublin*  
 Patrick Gibbons, *University College Dublin*  
 Jan Rosier, *University College Dublin*  
 Peter McNamara, *University College Dublin*

Our research focuses on the separate roles played by success and failure – two key dimensions of organisational experience—upon organisational learning. In contrast to some prior literature, we find that organisations learn more effectively from successes than failures. We also find that project similarity also explains whether organisations learn from others' failures. We extend other work on learning from failure by introducing the twin concepts of related and unrelated learning and first-hand and vicarious learning.

## The Governance of Learning: Monitoring Capability Development in the Context of Acquisitions

Mario Schijven, *University of Illinois at Urbana-Champaign*  
 Jerayr Haleblan, *University of California, Riverside*  
 Kalin Kolev, *Marquette University*

A growing body of research shows that a considerable degree of deliberate, cognitive effort (e.g., experience codification) is necessary for fruitful organizational learning to occur in the context of complex strategic activities, such as acquisitions. However, in light of increasing pressure for short-term results, what motivates management to, in fact, invest such effort in learning, which benefits performance only in the longer term? In an attempt to begin filling this gap in our understanding of the motivational mechanisms behind organizational learning, we theorize how the monitoring role of corporate governance helps push management toward more effective learning from its firm's acquisition experience. Based on data covering all acquisitions by U.S. firms from 1996 through 2012, we find considerable support for our arguments.

## SESSION 266

## REPLICATION, KNOWLEDGE TRANSFER, AND KNOWLEDGE SHARING

<b>TRACK I</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Charlottenburg II
<b>Chair</b>	Dimo Ringov, <i>ESADE Business School</i>	

## Principles Or Templates? The Role Of Human Capital In Cross-border Knowledge Transfer

James Oldroyd, *Brigham Young University*  
 Shad Morris, *Brigham Young University*

This study examines how project leaders' human capital, characterized as either local or cosmopolitan, influences the degree to which they utilize principles or templates (two distinct types of codified knowledge). We examine how the use of knowledge principles or templates uniquely impacts project efficiency and local responsiveness. Analyzing 139 globally dispersed consulting projects in a large MNE, we find that project leaders who possess local human capital are less likely to use codified knowledge. However, when these project leaders have a combined local and cosmopolitan human capital, the likelihood that they will utilize codified knowledge increases. Moreover, we find that the use of codified knowledge principles increases the local responsiveness of a project, while the use of knowledge templates increases a project's efficiency.

## Replication and Augmentation: A Reexamination of the Replication Dilemma

Dimo Ringov, *ESADE Business School*  
 Haibo Liu, *University of California, Riverside*  
 Robert Jensen, *Brigham Young University*  
 Gabriel Szulanski, *INSEAD*

This study argues that distinguishing between two fundamentally different activities—the replication of an established template and its local augmentation (the addition of elements that are not part of the template)—may help reconcile contradictions in extant literature on the performance consequences of the accurate replication of practices versus their local adaptation. It advances a more nuanced view of the challenge of replication, away from a strict either/or replication dilemma and closer to a subtle optimization challenge where scarce attention is judiciously and dynamically allocated between the replication of an established template and its augmentation. We provide empirical evidence that both accurate template replication and augmentation have a positive effect, an effect which varies with unit age, on unit performance in replicating/chain organizations.

## Firm-Specific Knowledge: Mechanisms for the Diffusion of Individual Tacit Knowledge for Superior Organizational Performance

Alexandra Schmid, *University of Massachusetts Amherst*  
 Bill Wooldridge, *University of Massachusetts Amherst*

Prior research suggests that firms with access to firm-specific tacit knowledge resources can make better strategic business decisions and thus achieve a sustained competitive advantage. In this paper we focus on understanding the phenomenon of individual-level tacit knowledge and the mechanisms firms use to transfer tacit knowledge from the individual to the collective, group level. We argue that top management teams can extricate critical individual-level tacit knowledge through specific two-way exchange mechanisms. We will empirically test these arguments by selecting a unique repository of firm-specific tacit knowledge. By doing so we extend the stream of literature on the knowledge-based view of the firm and we advance our understanding of how firm-specific knowledge resources generate organization-wide value.



## The Alignment Between Organizational and Individual Drivers for Knowledge Sharing: A Multilevel Approach

Torben Pedersen, *Bocconi University*

Angels Dasi, *University of Valencia*

Paul Gooderham, *Norwegian School of Economics*

Our study makes three relevant contributions. First, by applying multilevel modelling we add to the debate about the nature of the A-M-O relationship as our study explicitly tests their multi-level nature. Second, we contribute to the conversation about the microfoundations of knowledge sharing as we theoretically examine why and how the job design, the use of technology-based communication tools and the existence of a collaborative culture at the department level have a different reinforcing effects. Finally, from a managerial point of view, our study contributes to the orchestration of knowledge sharing by stressing that individuals' conditions and preferences cannot be taken for granted but that there are some cross-level mechanisms influencing the effectiveness of organizational interventions.

### SESSION 71

## COGNITIVE AND BEHAVIORAL PERSPECTIVES IN ENTREPRENEURSHIP

**TRACK K** **Date** Tuesday, Sep 20

**Time** 11:00 – 12:15

**Common Ground** **Room** Knight

**Facilitator** Sharon Alvarez, *University of Denver*

## The Impact of Overconfidence on Excess Entry

Cedric Gutierrez, *HEC Paris*

To date, excess entry is still a puzzle in the entrepreneurship literature. We explore this question by disentangling three mechanisms that have been often confounded: overconfidence, attitude toward uncertainty and intensity of competition. Using a laboratory experiment, in which we manipulate the subjects' level of confidence in their skills, we show the causal relation between overconfidence and entry into competitive markets. Moreover, we highlight the critical role of ambiguity attitude on entry: independently of their level of confidence, subjects exhibit ambiguity-seeking attitude when the result of the competition depends on their skills, leading to a higher level of entry. Finally, we observe that excess entry does not always occur but depends on the intensity of competition.

## Optimistic Entrepreneurs and New Product Introductions: An Examination from the Behavioral Theory of the Firm

R.Isil Yavuz, *Ozyegin University*

Devkamal Dutta, *University of New Hampshire*

Mehmet Soytaş, *Ozyegin University*

This study examines how past performance and entrepreneurial optimism interact to affect new product introductions in high technology new ventures. Based on arguments anchored in the behavioral theory of the firm, we suggest that low performance relative to aspirations helps new ventures initiate strategic change such as new product introductions. In contrast, high performance relative to aspirations tends to reinforce status quo. We also argue that when past performance falls below aspirations, new ventures founded by optimistic entrepreneurs are more likely to introduce new products than those with unoptimistic entrepreneurs. We test our hypotheses using data from the Kauffman Firm Survey on 333 newly founded new ventures in the U.S. Our results strongly support our interaction hypothesis.

## The Impact of Entrepreneurial Ambition on the Success of New Ventures

Michael Nippa, *Free University of Bozen-Bolzano*

Christian Linder, *Free University of Bozen-Bolzano*

For the last two decades, research on entrepreneurial characteristics has been mounted. While one stream focuses at skills, competences, and social capital, i.e. individual abilities, another stream sheds light on motivational factors of entrepreneurs. In our paper, we combine both streams and answer the research question whether and how the ambition to become an entrepreneur may impact entrepreneurial success. Utilizing data from PSEDII, we compare important antecedents and goals of individuals, who founded a successful business, with those who had to close it down. While previous research has argued that capabilities and motivations will breed successful new ventures, surprisingly, both groups do not show significant differences regarding the bases and goals of their entrepreneurial ambitions. We discuss different theoretical explanations for these findings.

## Understanding How New Ventures Pivot: The Role Of Cognitive Dissonance

Bart Clarysse, *ETH Zurich*

Robin De Cock, *Ghent University*

Nelson Phillips, *Imperial College London*

There is a popular belief that new ventures often “pivot” early in their lifetime as they seek to find a successful business model. At the same time, organizational theorists have long argued that such radical change is difficult and seldom happens. While new ventures are not hindered by rigidities embedded in routines and organizational processes, individual cognitions among the stakeholders of the venture can form a significant barrier to a pivot. In order to better understand how pivots happen, we introduce the notion of ‘distributed’ cognitive dissonance and we define two new concepts: belief commitment to explain how cognitive dissonance emerges and cognitive positioning to explain why intensive cycles of sense giving are needed to realize a pivot

## When Nothing Goes Right, Go Left: Addressing Political Ideology in Entrepreneurship to Make the World Better

Halima Jarrodi, *ESCP Europe*

Sylvain Bureau, *ESCP-EAP*

This paper addresses the concept of political ideology in entrepreneurship. It discusses how the concept of political ideology can be integrated within the theory of effectuation and presents initial assumptions on how political ideology might influence the entrepreneurial venture creation process. It is suggested that political ideology may be a quite relevant feature of entrepreneurial cognition and thus has strong implications for both research and practice.

## Reframing Social and Ecological Problems into Entrepreneurial Opportunities

Julia Binder, *Technical University of Munich*

Denis Grégoire, *HEC Montréal*

Social and sustainable entrepreneurship constitutes an effective vehicle to address some of our world's most pressing problems. Yet individuals and organizations interested in such pursuits must first overcome important challenges – notably for identifying what to do and how to do it. In this study, we investigate entrepreneurs' efforts to reframe negative social and ecological problems into positive entrepreneurial opportunities. Drawing from a verbal protocol study conducted with 24 experienced entrepreneurs, we study the reasoning strategies they mobilize when they face social or ecological issues, and examine the extent to which framing dynamics enables their identification of entrepreneurial opportunities. In doing so, our study casts light on the cognitive dynamics that underpin entrepreneurs' and strategic managers' efforts to “move the world.”

## SESSION 75

**INTERNATIONAL ENTREPRENEURSHIP**

<b>TRACK K</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Tegel

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

### Are Entrepreneurial Strategies Culturally Biased? The Role of Culture as an Inter-subjective Perception-forming Construct

Martin Stienstra, *University of Twente*

Rainer Harms, *University of Twente*

Aard Groen, *University of Twente*

Scholars have asserted that national culture has an influence on strategic decisions during new venture creation processes. One of the more promising frameworks describing these processes is that of Sarasvathy, known as the Effectuation framework. Within this framework, the role of national culture has not been embedded. Research has been done in 16 countries around the world among 317 entrepreneurs using the Think aloud method to get further insight in the role of national culture if effectual processes are set in a different context. Hierarchical multiple regression analysis findings show that national culture has a significant relationship with Effectual processes. This study highlights the importance of including national culture in studying new venture creation in different countries in general and Effectuation in particular.

### Going Abroad to Win at Home: New Venture Internationalization as a Legitimation Strategy

Benedikt Maissenhaelter, *Technical University of Munich*

Hana Milanov, *Technical University of Munich*

While recent research stressed the importance of examining domestic circumstances for new venture internationalization, our understanding of the consequences of early internationalization in domestic markets is more limited. In this paper we build on organizational legitimacy literature and propose that early internationalization could importantly contribute to legitimacy gains with domestic audiences, yet that the effectiveness of this signal is contingent on the internationalization context. We employ propensity score matching to construct a matched sample of new ventures. Our findings provide support for a positive impact of internationalization on legitimacy gains with three distinct domestic audiences and confirm the importance of the internationalization context in amplifying these gains.

### Soft Power in Nascent Markets: How Entrepreneurs Claim, Demarcate, and Control Markets

Basak Yakis-Douglas, *University of Oxford*

Aloysius Newenham-Kahindi, *University of Saskatchewan*

Using a quasi-experimental context (three refugee camps in Western Tanzania), we test findings in entrepreneurship literature on 'soft power' with the purpose of (i) examining their validity and (ii) adding nuances to existing understandings of how entrepreneurs claim, demarcate, and control markets. Our research focus on soft power addresses the crucial yet underexplored field of how entrepreneurs address nascent markets. While our findings provide support for existing research that identifies timing, illusion, and exploiting tendencies of others, we also find that entrepreneurs make use of additional soft power strategies such as creativity to claim, ambidexterity to demarcate, and secrecy to control their markets. We also find that entrepreneurs build mutually beneficial business models throughout the three stages, targeting different sets of actors in each stage.

### Stigma of Failure and Entrepreneurial Activity: Moderating Effects of Culture and Environmental Munificence

Naga Lakshmi Damaraju, *Indian School of Business*

Jay Barney, *University of Utah*

Gregory Dess, *University of Texas at Dallas*

This paper draws from research in social psychology and entrepreneurship to argue that (1) the effect of stigma on the level of entrepreneurial activity differs by national culture, (2) the effect of stigma on entrepreneurial activity differs by the level of environmental munificence in which the entrepreneur is embedded. Further, it is also argued that the effect of stigma on entrepreneurial activity in various national cultures differs by the levels of environmental munificence.

## SESSION 116

**LEGAL MOBILITY BARRIERS**

<b>TRACK L, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Kopenick I/II

**Chair** Benjamin Campbell, *Ohio State University*

### Noncompetes and Employee Mobility

Evan Starr, *University of Maryland*

J.J. Prescott, *University of Michigan*

Norman Bishara, *University of Michigan*

We examine the nature of the relationship between noncompetition agreements and the process of employee mobility, which we view as contingent on the acquisition of an offer and a willingness to accept the offer. We find that individuals with noncompetes are recruited and receive offers at relatively higher rates, that they substitute search and recruitment efforts towards noncompetitors, and that they are also associated with longer employment tenures. Noncompetes are a factor in the choice to turn down approximately half of the offers from competitors. Furthermore, employee beliefs regarding the likelihood their firm will sue them and their noncompete will be enforced are crucial for whether they view their noncompete as a barrier to mobility.

### Redirect/Retain: Why and How Firms Capitalize on Noncompete Enforceability in Technical and Business Occupations

Evan Starr, *University of Maryland*

Martin Ganco, *University of Wisconsin-Madison*

Benjamin Campbell, *Ohio State University*

Covenants-not-to-compete play an important role in the strategic management of human capital because they have the dual effect of directing departing employees away from competitors and reducing mobility overall. We combine the literature on noncompetes with the literature on human capital transferability to develop a theory of how the enforceability of noncompetes differentially impacts the management of technical and business occupations. Using a difference-in-difference estimation strategy, we demonstrate that when noncompetes are more enforceable, their impact on new hire experience, wages, training, and tenure for technical employees is stronger than on business employees, which is in turn stronger than unaffected occupations. We argue that the heterogeneous responses to noncompete enforceability for technical and business occupations are consistent with cross-occupational differences in skill transferability.



Corporate Social Responsibility and the Prevention of Knowledge Spillovers: Evidence from the Inevitable Disclosure Doctrine

Caroline Flammer, Boston University  
Aleksandra Kacperczyk, MIT

In this study, we examine whether companies’ social responsible practices can help retain employees with valuable skills and knowledge, and thereby mitigate the threat of knowledge spillovers. To obtain exogenous variation in the threat of knowledge spillovers, we exploit a natural experiment provided by the rejection of the inevitable disclosure doctrine by several U.S. states between 1991–2013. Since the doctrine prevents employees with valuable know-how from working for a competitor in the immediate future, the doctrine’s rejection facilitates knowledge appropriation by rivals. Using a difference-in-differences methodology, we find that companies react to the increased threat of knowledge spillovers by increasing their CSR-related activities. Overall, our findings are consistent with the notion that CSR serves as a strategic tool to mitigate the risk of knowledge spillovers.

The Effect of Executive Non-Compete Agreements on the Exploitation and Exploration Focus of the Firm

Lauren Aydinliym, Rutgers University

This proposal predicts consequences to a firm’s choice of innovation-orientation between exploration and exploitation from having its top executives sign non-compete agreements. Specifically, because such agreements require explicit agreement by executives at hire or promotion and are often also reviewed by the executive’s attorney, executives who have signed non-competes should be well aware of the limitations placed on them by such agreements. This proposal seeks to explore the effects this awareness of future limitations of executive opportunities will have on the TMT’s innovation orientation; that is, how do non-compete agreements affect the TMT’s attention focus regarding the choice between exploration and exploitation? I propose to examine how noncompetition agreements affect executive attention directly, as well as indirectly through TMT demographics.

SESSION 108

ACQUISITION AND ALLIANCE ACTIVITY IN INNOVATION DRIVEN SETTINGS

TRACK N	Date	Tuesday, Sep 20
	Time	11:00 – 12:15
Paper	Room	Kopenick III
Chair	Bin Hao, East China University of Science and Technology	

Incumbent Firms and Breakthrough Innovations Under Technological Discontinuities: A Real Option Reasoning

Lisa LIN, Hong Kong Baptist University  
Jiatao Li, Hong Kong University of Science and Technology

This study investigates how incumbents configure their alliance portfolio with entrant firms in developing breakthrough innovations under technological discontinuities. We draw on real option perspective to argue that incumbent firms use exploration alliances with entrants as real options to counterattack the uncertain nature of technological discontinuities. A moderate number of options in the alliance portfolio helps incumbents generate breakthrough innovations,. We further contend that industry technological dynamism and partner firms’ technological diversity moderate the above relationship. A sample of biopharmaceutical firms during 1980 and 2010 generally supports our real option reasoning.

Network Synergy: How Companies Use Acquisitions to Enhance their Network Positions

Exequiel Hernandez, University of Pennsylvania  
J Myles Shaver, University of Minnesota

Research shows that occupying certain positions in networks improves performance, but overlooks the possibility that acquisitions dramatically reshape the network by allowing the acquirer to inherit the target’s ties in one transaction. This can generate “network synergy”: an improvement in the acquirer’s structural position from inheriting the target’s ties. M&A research overlooks network synergies, focusing on “internal synergies” from resources owned by the combining firms. If acquisitions create network synergies, the likelihood of selecting a target will increase the greater the expected network synergy. Using data from the biotechnology industry (1995–2007), we find that acquirers prefer targets that enhance their network status and access to structural holes (controlling for internal synergies). We integrate the networks and acquisitions literatures and introduce a novel rationale for acquisitions.

The Short and Long Run Effects of Collaboration on Innovation and R&D

Ahmed Khwaja, Yale University  
Rebeca Mendez-Duron, University of the Balearic Islands

This proposal examines (1) Whether collaboration between firms is beneficial in R&D, and market entry, and (2) whether collaboration is more effective at early or later stages of product development. We use a data set that comprises the universe of all FDA trials in Phase II and beyond so there are no selection issues. Also, success or failure in an FDA trial is unambiguously defined. We find that accumulated experience with collaboration enhances chances of success. Moreover, the likelihood of collaboration is based on complementarities in skill sets. Our results highlight a strategic partner selection process that heavily relies on the opportunities for accessing complementary knowledge and learning.

Joint Actions, Relational Identification, and Knowledge Exploration in Alliances

Bin Hao, East China University of Science and Technology  
Da Teng, Coventry University  
Yanan Feng, University of Nottingham

We investigate how firms pursue knowledge exploration through being involved in joint actions in alliances. Drawing from social identification theory, we argue that both joint problem-solving and joint sense-making have impacts on relational identification, which represents a motivational solution for knowledge exploration. Using survey data of Chinese high technology firms, we find that joint problem-solving and joint sense-making are both positively associated with relational identification. We also find a positive relationship between relational identification and knowledge exploration. More importantly, our casual step-method and bootstrapping analysis both show that relational identification acts as a mediating role in the relation between joint problem-solving and knowledge exploration. However, we fail to find support for such a mechanism in the relation between joint sense-making and knowledge exploration.

## SESSION 202

**INSTITUTIONS AND INSTITUTIONAL LOGICS**

<b>TRACK O</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Common Ground</b>	<b>Room</b>	Bishop

**Facilitator** Y Sekou Bermiss, *University of Texas at Austin*

**Dance In Chains: How Governance Architects Unravel Competing Institutional Logics**

Xing Chen, *Bocconi University*

Ruth Aguilera, *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 and when governance architect manages competing institutional logics effectively 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 are familiar and identify with both logics. 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 also identifies with socialist logic or has social ties with current board chairman.

**Antecedents of Outside Directors' Role Identity during Institutional Change**

Toru Yoshikawa, *Singapore Management University*

Jin-ichiro Yamada, *Osaka City University*

Using the grounded theory approach, we explore how outside directors perceive their director role and how their role identity is influenced by such factors as their perceptions of the relationship with the CEO, the role expectation expressed by the firm/CEO, their professional background and expertise, and director experience. We examine these issues in the institutional context where the appointment of outside directors has been newly introduced by the Corporate Governance Code and thus the role expectation of outside directors is still in the state of flux. Using the qualitative research method based on semi-structured interviews of outside directors, we develop propositions that suggest the antecedents of directors' role identity and perceived director role.

**How Wall Street Legitimized Corporate Downsizing**

Ann-Christine Schulz, *Free University of Berlin*

Alexander Himme, *Kühne Logistics University*

This paper investigates the impact of the timing of downsizing announcements on stock market performance. Drawing on neo-institutional theory we propose that stock market reactions of downsizing became more positive over the 1990s reflecting the increasing legitimacy of this important management practice. Using a sample of 199 downsizing announcements over the period 1990-1999, we find that the timing of the downsizing announcement has a positive impact on stock market return and that this relationship is moderated by proactive downsizing motives and the degree of institutional ownership. These findings elucidate how the capital market contributed to the growing legitimacy of mass layoffs as strategic measures.

**Institutional Logics And Board Turnover In Community Banks: The Competing And Complementary Effects**

Stephen Smulowitz, *IESE Business School*

Juan Almandoz, *IESE Business School*

While institutional scholars traditionally argued that organizations are organized by a dominant institutional logic, recent work shows that organizational behaviors may be affected by the degree to which differing logics are represented within the organization by individuals. Developing a dominant logic, an organization's behavior can either comport with or contradict the dominant logic of organizational members, and thereby affect organizational commitment. Using a panel of board members of community banks, we find that financial logic boards engaging in community logic lending (operationalized as small business and FHA loans) increased board turnover, while banks with community logic boards making these types of loans decreased turnover. Accordingly, our study both deepens our understanding of institutional logics, and provides important insights on board turnover.

**Resistance to Institutional Norms: All-Male Boards in S&P 500 Firms, 2003–2012**

Bjoern Mitzinneck, *Cornell University*

Glen Dowell, *Cornell University*

Judith Walls, *Nanyang Business School*

According to institutional theory, a prime strategy to acquire a license-to-operate and vital organizational resources is institutional isomorphism. Yet, organizational fields often include small numbers of organizations that resist prevalent institutionalized norms. We study what sets institutional resisters apart from their conforming peers. We hypothesize that organizations with features which shielded them from institutional pressures or compel them to ignore specific norms are most likely to follow a strategy of institutional resistance. Empirically, we focus on major publicly traded corporations resisting mounting pressures towards including women on boards. We find support for our hypotheses in a sample of firms in the S&P 500 over the period 2003–2012. All-male boards are more likely in shielded firms and those compelled to ignore the specific norm.

**The Cultural Contingency of Structure: Entry into the Slave Trade During the Abolition Movement**

Paul Ingram, *Columbia University*

Brian Silverman, *University of Toronto*

The economic effects of social structure are dependent on culture. We demonstrate this with an analysis of the Liverpool slave trade. As abolitionism became more salient in British culture, connections in a co-investment network to both slavers and non-slavers mattered much more for predicting entry into the slave trade. As abolitionism rose, non-slavers in that public network gained relatively more influence than slavers, but the reverse was true in the private network of an elite social club. Furthermore, the status of a potential slaver mattered much more during the abolition era, as the emergent clarity of norms against slaving constrained high-status traders less than middle-status traders. We offer guidelines to organizational theorists regarding approaches to study cultural contingency of social constraint in modern cultural contexts.



SESSION 213  
THE CHARACTERISTICS OF THE CEO ROLE

TRACK O	Date	Tuesday, Sep 20
	Time	11:00 – 12:15
Paper	Room	Charlottenburg III
Chair	Moustafa Haj Youssef, <i>Westminster University</i>	

**Executive Job Satisfaction: A Study of Its Antecedents and Consequences**  
David Hongquan Zhu, *Arizona State University*  
Liangding Jia, *Nanjing University*

Although there is an increasing interest in understanding how top executives affect organizations, surprisingly little research has examined one of the most important issues to top executives, namely their job satisfaction. This study starts to systematically examine the antecedents and consequences of CEO's job satisfaction. Building on psychological theories and studies on job satisfaction and management research on top executives, we propose that key determinants of CEO's job satisfaction include the Big Five personalities of CEOs and executive job demand. In addition, we explain why CEO's job satisfaction positively influences innovation, corporate entrepreneurship, strategic change, and firm performance. Using a large scale survey conducted with hundreds of top executives in China, we find considerable support for our theory.

**The Market for Corporate Control and Managers' Temporal Orientation**  
Robert H. Kleinknecht, *University of Amsterdam*  
Alan Muller, *University of Groningen*

Although managers' temporal orientation is crucial to firm strategy, the corporate governance literature is not clear on its antecedents. In our paper, we propose that managers' temporal orientation is affected by the market for corporate control. Specifically, we investigate the effects of three mechanisms that determine the power of the market for corporate control: golden parachutes, poison pills and classified boards. To analyze these relationships, we link firm financial and governance information to content analysis of earnings calls to create a dataset comprising 12,668 firm-quarterly observations from 812 publicly-listed U.S. companies over the period 2007–2014. We find that golden parachutes are associated with more long-term temporal orientations, while poison pills are associated with more short-term temporal orientations, with implications for the literature on corporate governance.

**Does CEO Duality Really Foster Unity of Command?**  
Jorge Humberto Mejia, *HEC Montreal*  
Ryan Krause, *Texas Christian University*  
Garry Bruton, *Texas Christian University*

Based in classical organization theory, research on CEO duality has historically assumed that the combination of the CEO and board chair positions fosters unity of command within an organization. To date, however, no research has tested the validity of this assumption. In the present study, we identify three TMT-level outcomes that are theoretically linked to the principle of unity of command, and investigate whether CEO duality predicts these outcomes. Using survey data from the CEOs of 90 of the largest publicly traded firms in Mexico, we find evidence suggesting that CEO duality does, in fact, promote unity of command, even in the presence of alternative sources of CEO power.

**Benefits of CEO Strategic Ambiguity in Congressional Testimony**  
Mirzokhidjon Abdurakhmonov, *University of Arkansas*  
Jason Ridge, *University of Arkansas*  
Amy Ingram, *Clemson University*

Although an extensive body of literature has studied the effectiveness of a firms efforts to pursue their interests through lobbying, campaign

contributions and political action committees, minimal focus has been given to the role of CEO interaction with government officials in firm's corporate political activity. In this paper we focus on CEO testimony in Congressional hearings to begin to explicate the effects of strategic communication tactics. We argue that CEO Congressional testimony has a positive market reaction and that CEOs who employ strategic ambiguity (i.e., intentional vagueness) in their testimonies are rewarded by the market. Moreover, we argue that as Congress is more constraining in their questioning, the positive effects of strategic ambiguity are minimized.

SESSION 225  
COGNITION AND STRATEGY

TRACK P	Date	Tuesday, Sep 20
	Time	11:00 – 12:15
Paper	Room	Lincke I/II
Chair	Sheen S Levine, <i>University of Texas at Dallas</i>	

**Competitor Identification and High Speed Competitor Interactions**  
Scott Mitchell, *University of Kansas*

This study explains how spatial distance and competitor similarity influence the identification of cognitive competitors. In contrast to prior studies that used surveys to classify cognitive competitors, I identify the perceived relative importance of a firm's competitors by examining the competitive actions and responses of firms using a dataset that captures the timing of price changes in the Los Angeles retail gas market. Consistent with predictions, I find that stations monitor a small number of competitor stations. The findings suggest that managers categorize competitors based on a smaller number of key dimensions than previously theorized.

**How Cognitive Skills Affect Competitive Performance: Some Experimental Evidence**  
Sheen S Levine, *University of Texas at Dallas*  
Mark Bernard, *Goethe University Frankfurt*  
Rosemarie Nagel, *UPF ICREA BGSE*

Pursuing sources of competitive advantage, researchers have been turning to cognition. Here we examine how cognitive capabilities affect competitive performance, drawing on two constructs rooted in psychology and economics: Analytic skill, the ability to reason through abstract problems, and strategic IQ — the ability to ascertain others' state of mind and use it for advantage. Empirically, we measure the two constructs in a group of participants in a laboratory. Then, we let them compete for cash in a highly competitive market. Even without advantage from market structure or resources, some do much better than others. We trace performance differences to heterogeneity in analytic skill and strategic IQ. The best performers are those who are not only capable, but also understand how capable competitors are.

**Mental Model Change and the Emergence of the New Space Market**  
Laura Huang, *University of Pennsylvania*  
Anoop Menon, *Harvard University*  
Tiona Zuzul, *London Business School*

In this study, we draw on in-depth, qualitative and archival data to explore the emergence of the New Space market. We illustrate how the market's emergence was sparked by a dramatic shift in actors' mental models: the development of mutually aligned and reinforcing conceptualizations about the commercialization of space, including beliefs about the players that should be involved, the roles they should play, and the ways they should interact to deliver value. This shift catalyzed changes in technology and regulation, as well as collective activities, that shaped the market's early history. We extend previous work related to emergence, offering empirical evidence to advance a model of mental model change as a driver of new market emergence.

## Tight Coupling and Business Models for Decision Making: The Neo-Carnegie Perspective

William Ocasio, *Northwestern University*

Dylan Boynton, *Northwestern University*

We employ a Neo-Carnegie perspective on strategy and organizations and provide theoretical grounding for the concept of a business model. We define business models as the implicit set of decision rules a firm uses to create and deliver value for its coalition of market stakeholders. In particular, we seek to develop theory on firm's business models under conditions of tight coupling among decision rules. We argue that technical and institutional changes have led to implicit business models becoming more tightly coupled, and that as this occurs, explicit business models develop and enhance the firm's survivability and adaptability to create and deliver value.

### SESSION 256

## ALTERNATIVE APPROACHES TO TEACHING STRATEGY

<b>TRACK T</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	11:00 – 12:15
<b>Common Ground</b>	<b>Room</b>	King

**Facilitator** Joanna Keels, *Coastal Carolina University*

## Business Management Simulations and Generative Learning

Donal O'Brien, *Dublin City University*

Malcolm Brady, *Dublin City University*

Strategy is inherently about making decisions and the use of simulations addresses one of the great classroom difficulties with teaching strategy: How to create the environment where students can actually make decisions and experience the consequences of those decisions. A business game or simulation provides students with the opportunity to implement strategy at first hand, to make strategic and operational decisions and to manage the outcomes of those decisions. This study assesses the student's perspective on the use of a business simulation over a number of weeks in terms of a learning experience, an introduction to the real world of management, and the development of their management skills and competences.

## Integrating Facebook and Team-based Learning to Support Millennial Learners' Engagement in Teaching Strategy

Christopher Voisey, *University of Reading*

Born between 1982 and 2003, Millennial students display ambition, confidence, optimism, and a capacity for high-level cooperative work. Yet, traditional strategy pedagogy focused the lecture and the case methods is being undermined by Millennials' lack of focus, proclivity to become bored and desire to multi-task, absence of coping skills for failure, entitlement mentality, classroom respect/boundary issues, and problems in group work. Strategy teachers are under pressure to teach to ever larger classes, often solved through team teaching or repeat teaching. From a case study, we describe a novel approach to pedagogy in strategy that integrates Team-based Learning with social media. Results from evaluations of a business strategy course taught to Undergraduates suggest that this can lead to significantly higher learning outcomes and student satisfaction.

## Can Strategic Management Competences Be Learnt In An Online MBA?

Anna John, *Open University*

Giacomo Carli, *Open University*

Thomas Lawton, *Open University*

Maureen Meadows, *Coventry University*

The issue of student learning effectiveness remains the cornerstone of designers of MBA programs. A stream of literature discusses if and how delivery modes—face-to-face, online and blended—affect learning of MBA students. This paper contributes to this body of literature by bringing the discourse about the effectiveness of student learning in online, face-to-face and blended MBA programs to the context of one of their central disciplines—strategic management. A particular emphasis is placed on one of the most important dimensions of the student learning effectiveness of strategic management module of online MBAs—strategic management competences.

## Real-Life Learning as a Pedagogical Approach in Business Schools

David Wagner, *GG5*

Jessica Di Bella, *GG5*

Given the challenges business schools are facing in the 21st century, we address the question of how a modern pedagogical model in management education looks like. In order to answer the research question, we draw on the theories of theoretical, social and experiential learning. Based on these theories, we develop a learning framework that we call Real-Life Learning (RLL). We further describe its features and application. In doing so, we provide an important stimulus for scholars with an interest in management education and development, learning theories, and business pedagogy.

## Using the Great Food Truck Race to Teach Strategy

Dara Szyliowicz, *University of the Pacific*

Tiffany Green, *River Region Human Services, Inc.*

Strategy instructors face the challenge of how to make course material interesting and informative. Although there is general agreement that media can be used to enhance learning, little work has applied it to strategy. This paper considers how a visual media case – a competitive reality television series – can be used to maximize learning. Second it focuses explicitly on how such a show can enhance understanding in a variety of strategic management topics that often present problems to students. We show how the Great Food Truck Race can invoking deductive reasoning skills, or be used as an assignment that encourages inductive reasoning incorporating decoding and reflection to build individualized application and lessons that can be broadly applied outside the classroom.

12:15 – 14:00

**AWARDS LUNCHEON**



## SESSION 194

**STRATEGIC TRANSFORMATION IN THE GERMAN ENERGY INDUSTRY**

<b>TRACK A, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Parallel Panel</b>	<b>Room</b>	Bellevue

**Strategic Transformation in the German Energy Industry****Chairs**

Moritz Loock, *University of St. Gallen*  
Emmanuelle Reuter, *University of St. Gallen*

**Panelists**

Frank Baumgärtner, *Clean Energy Sourcing AG*  
Thomas Birr, *RWE AG*  
Mary Tripsas, *Boston College*  
Andreas Wieg, *DGRV*

How industries and organizations transform taking stock of digitalization, (de)regulation, and sharing economy is of central concern for strategic management. These trends can drive innovation by pressing executives to rethink opportunities for value creation. Germany recently has been called “the world’s first major renewable energy economy” and the largest producer of renewable energy in the EU-28 in 2013. In this session, we bring together representatives of different stakeholder groups – incumbent utilities, entrepreneurs, cooperatives – to engage in a discussion about the dynamics of strategic transformation. These executives will uncover their perceptions of new forms of value creation and bring in their own experiences of the drivers and barriers for successfully implementing new strategies. A senior scholar will comment and highlight directions for future research.

## SESSION 170

**ENTERPRENEURIAL, PHILANTHROPIC AND CORPORATE POLITICAL ACTIVITY AND ITS IMPACT ON SOCIETY**

<b>TRACK C</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Paper</b>	<b>Room</b>	Schinkel III

**Chair** Michelle Westermann-Behaylo, *University of Amsterdam*

**Inequality, Entrepreneurial Activity and Poverty Alleviation**

Douglas Cumming, *York University*  
Ikenna Uzuegbunam, *Ohio University*

In this study, we examined a state-level framework that directly links income inequality, entrepreneurial activity and poverty alleviation. First, we suggest that economic inequality will tend to encourage entrepreneurial activity at the state level, by focusing theoretical attention on the potential tradeoffs between opportunity costs and the pursuit of entrepreneurial opportunities. Second, we propose the notion of an entrepreneurial activity hierarchy, wherein entrepreneurial activity that embody firm-centric and opportunity-centric activity are more likely to create economic spillovers, and thus alleviating poverty at the state level, than one associated with self-employment activity. Empirical tests on a novel, panel dataset of all 50 U.S. states over an 18-year period (1996–2013) provide consistent support for the theory.

**Strategy Enablers and Constraints of Green Innovation in a New Industry**

Tracey Dodd, *University of South Australia*  
Marc Orlitzky, *University of South Australia*

This qualitative study explores the perceptions of key actors in the organization field of aviation biofuels to understand strategies and tactics viewed as meaningful and appropriate for environmental entrepreneurs in a nascent industry. Drawing on the analysis of 367 documents and 57 interviews with new entrepreneurial (de novo) firms, diversifying incumbent (de alio) firms as well as airlines, aircraft manufacturers, policy-makers, research institutes, and industry associations across Australia, Germany and the USA, we inductively analyze the impact of strategy enablers of, and impediments to, new green industry growth. We find a link between organization field actors’ belief structures and perceived likelihood of industry success, strategy choice, and firm-level performance expectancies.

**Black Swans and the Social Value of Corporate Philanthropy**

Luis Ballesteros, *University of Pennsylvania*  
Michael Useem, *University of Pennsylvania*

Over 85 percent of the deaths from natural disasters have occurred in low-income countries, yet almost 90 percent of relief coming from firms has gone to medium- and high-income economies. Does this mean a socially suboptimal allocation of economic resources? To assess this question, we study donations by corporations from 65 countries to the relief and reconstruction fund of all major disasters that affected the world from 2003 to 2013. Using a novel quasi-experimental method, we provide evidence that business giving efficiently specializes in black swans, calamitous disasters. There, corporate giving increases the speed of relief provision and mitigates the loss of social welfare by the disaster by complementing public funding in nations that have been historically deprived of international aid.

**Firm-specific Political Resources: The Link to Corporate Human Rights Abuses and Remedies**

Michelle Westermann-Behaylo, *University of Amsterdam*  
Kathleen Rehbein, *Marquette University*  
Tricia Olsen, *University of Denver*

The objective of this study is to go beyond the typical dependant variables in corporate political activity research involving profitability or competitive advantage, and consider the greater impact on society. We focus on the extractive industry, an industry well known for contributing directly to negative social impacts such as human rights concerns, environmental damage, negative impacts on indigenous people, and exacerbating conflict. We aim to gain new insights into whether firms with strong political resources in developing countries are likely to be linked to environmental or human rights violations, and likely to remedy those violations that occur. We also consider whether forms of governance such as strong home or host state institutions, or NGOs impact this relationship.

## SESSION 135

**MONETIZING AND COMPETITIVE ADVANTAGE IN PLATFORMS**

<b>TRACK D</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Paper</b>	<b>Room</b>	Lincke I/II
<b>Chair</b>	Joost Rietveld, <i>Erasmus University Rotterdam</i>	

**Competitive Advantage of Sellers in Multi-Sided Markets**Joachim Stonig, *University of St. Gallen*Henning Dusterhoff, *University of St. Gallen*

It is a well-documented phenomenon that multi-sided markets can lead to bottleneck situations or platform monopolies that leave sellers without economic surplus yet we know little about strategies that platform sellers can employ if they are constrained to participate in such a market. Therefore we ask: Which strategic options allow incumbent sellers to achieve a competitive advantage in a multi-sided market, despite an unfavorable market structure? We find that multi-sidedness impacts the effectiveness of strategic options because their use can induce competitive pressures and decrease externalities. We contribute to the literature in platform economics and multi-sided markets by introducing sellers' heterogeneity that can lead to sustained competitive advantage. We show complex linkages exist between market structure and firm-specific advantages, a promising area of future research.

**Content Monetization on Digital Distribution Platforms: Implications for Value Creation, Value Capture and Competitive Dynamics**Joost Rietveld, *Erasmus University Rotterdam*David Nieborg, *University of Amsterdam*

Digital distribution has changed the way content producers do business and how markets are structured. These changes have positive first order effects for small firms and producers of niche content including lower entry barriers, novel business models, and the "long-tail". This paper reviews often overlooked second order effects that complicate successful content monetization in digital platforms: an overall devaluation of content driven by dynamic pricing strategies (i.e. freemium) and rising costs of customer acquisition, toughened competitive dynamics following an influx of content, and a greater skew in income distribution following a rise in search costs and the underlying algorithms of recommender systems. We provide supportive evidence from various digital distribution platforms. The paper contributes by offering managerial implications and setting an agenda for future research.

**Creating Value through the Freemium Business Model: A Consumer Perspective**Joost Rietveld, *Erasmus University Rotterdam*

Goods commercialized through the freemium business model offer free basic functionality and monetize users for extended use or complementary features. Compared to premium, freemium goods have lower barriers to adoption and allow end-users to accurately assess and act on their willingness to pay. On the other hand, convincing users to spend money on freemium goods is complicated by the positive relationship between price and perceived quality, and by the cognitive effort required to map willingness to pay to a menu of micro-transactions. Hypotheses are tested on a dataset of 391 PC games released on the online Steam platform in 2014. Freemium games enjoy higher adoption rates, but yield lower usage and less revenues. Revenues are positively moderated by variety in a freemium game's price menu.

**Cognition is the Essence to a Startup's Business Model**Martina Dopfer, *UC Berkeley*

This article explores how the application of business model templates becomes a cognitive capability during the startup's process of business model development. Based on a cross-case analysis of eight startups, this article focuses on both entrepreneurs and employees, and how they develop the business model. Firstly, the findings identify four startup archetypes distinguished by their application of templates and their stage in the business model development process. Secondly, they reveal that entrepreneurial cognition relates to the entire startup organization. Subsequently and lastly, the application of templates underlines the cognitive capabilities of a startup. Cognitive capabilities help to sense, seize and transform business opportunities. Once embedded in strategizing routines, the application of templates becomes a cognitive capability that guides further business model changes.

## SESSION 113

**NEW DIRECTIONS IN ACQUISITIONS RESEARCH**

<b>TRACK F</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Paper</b>	<b>Room</b>	Tegel
<b>Chair</b>	Xena Welch Guerra, <i>University of St. Gallen</i>	

**The Effect of Acquisitions on Individual Mobility**Francisco Morales, *University of Colorado, Boulder*

Acquisitions are an important mechanism to develop new knowledge and capabilities. However, acquisitions themselves can cause important disruptions in the workplace, affecting the performance of employees and even motivating employees to leave the firm. In this study I analyze a sample of inventors that participated in acquisitions and provide empirical evidence regarding the mobility of the inventors after the acquisition. Overall, I find that the collaboration network of an employee plays an important role on the decision to stay or leave after the employee's organization participated in an acquisition. The results of this study can help to determine some boundary conditions of the effect of acquisitions on employee mobility.

**Using Generalized Implied Binomial Trees to Reduce Acquisition Premium**Glenn Kristiansen, *University of Cambridge*

In this conceptual paper, I present a method for valuing acquisitions within the option-framework that is not possible with standard binomial trees or the Black Scholes method – the generalized implied binomial tree. This makes the focal firm able to evaluate multiple potential synergies from the acquisition simultaneously by valuing implied volatilities of the underlying potential cash flows from synergies and other similar acquisitions, and by valuing the flexibility of initiating, ending, and scaling the various synergies. This could make firms better able to avoid the worst cases of overpaying for acquisitions.



## Inside The Opportunity Funnel: A Micro-analysis Of Target Selection Processes

Xena Welch Guerra, *University of St. Gallen*

Fabian Schober, *University of St. Gallen*

Tomi Laamanen, *University of St. Gallen*

Prior explanations for acquisition activity usually assumed outcome-centered and corporate-centered perspectives. However, the underlying pre-deal processes, both their temporal unfolding over time, and their spatial unfolding among organizational sub-units, so far remain poorly understood. To contribute to this gap, we analyze the archive of the M&A department of a large frequently acquiring firm over the course of five years, covering 675 reviewed targets, that resulted in 48 completed corporate takeovers. This allows us to desegregate the pre-deal processes and track each considered acquisition opportunity. We are interested in the process characteristics that determine the overarching decision pattern. Specifically, we explore two research questions: 1) What kind of chance events determine relevant strategic outcomes? and 2) How does the decision making pattern change, as experience accumulates?

## The Effects of Tmt Diversity and Faultlines on Target Selection in Technology Acquisitions

Korcan Kavusan, *Erasmus University Rotterdam*

Nufer Yasin Ates, *Tilburg University*

Research suggests that acquisitions of technologically complementary targets can greatly enhance post-acquisition innovation performance, yet we know little about the factors leading firms to identify and ultimately acquire such targets. Recognizing that acquisition target selection is an important strategic decision taken by acquirer firm top management teams (TMT) we draw on upper echelon theory to explain the role of TMT composition in determining the degree of technological complementarity between acquirer and target firms. We find that TMT functional diversity and the existence of distinct subgroups within TMTs positively impact target complementarity since such TMTs are better able to identify synergistic recombination possibilities between acquirer and target technological capabilities by facilitating the development of novel and creative ideas, whereas the distance between subgroups hampers this ability.

### SESSION 126

## TIES, AFFILIATIONS, COLLECTIVES, AND THEIR EFFECTS

TRACK F	Date	Tuesday, Sep 20
	Time	14:15 – 15:30
Paper	Room	Charlottenburg II
Chair	Caterina Moschieri, <i>IE Business School</i>	

## Effect of Business Group Heterogeneity on New Venture Creation: Evidence from India

Kavil Ramachandran, *Indian School of Business*

Sougata Ray, *Indian Institute of Management—Calcutta*

Amit Baran Chakrabarti, *Indian School of Business*

This paper investigates the impact of business group heterogeneity on new venture creation. The study considers heterogeneity among groups based on size, and heterogeneity within groups based on resources and structural considerations. Using a database of 8344 new projects initiated by 526 business group firms within a 28 year period from 1988 to 2015, we find evidence that the new venture creation increases with bigger business groups and is further enhanced by the power of a business group affiliated firm within the group.

## Intra-firm Stigma Spillover: When the Innocent Unit Suffers

Mohamad Hasan Sadri Karami, *IE Business School*

Caterina Moschieri, *IE Business School*

Research so far has mostly delved into the negative effects of stigma spillover from one firm to other peers. We study intra-firm spillover effects of stigma, i.e. the spillover across a firm's different business-units. We argue that the stigma associated with a firm's business-unit spills over to other, non-stigmatized business-units of the same firm decreasing their performance. We draw on corporate strategy research, organizational stigma and management attention literature to explain the mechanisms causing this phenomenon. Using novel data of global arms manufacturers, we show that the spillover from the stigmatized unit negatively impacts the performance of non-stigmatized units and that this effect is amplified by the relatedness of two units.

## The Comparative Governance of Collective Action

Aseem Kaul, *University of Minnesota*

Jiao Luo, *University of Minnesota*

We examine the question of how collective action is best organized. Adopting a comparative institutional approach, we contend that the organization of collective action will incur transaction costs of discovery, bounding, adoption, enforcement, and probity, and discuss the antecedents of these costs. We then consider the relative efficacy of alternate governance forms in minimizing these costs, arguing that discovery costs are lowest under for-profits, probity costs under non-profits, adoption costs under collectives, and bounding and enforcement costs under the state. These arguments are used to develop a theoretical framework defining the optimal governance arrangement for any collective action situation. Our study thus extends institutional economics theory to the governance of collective action, and has implications for both social welfare and the non-market strategies of firms.

## Transformational Strategies and Productivity Growth

Lorenzo Ciari, *European Bank for Reconstruction and Development*

Joseph Clougherty, *University of Illinois at Urbana-Champaign*

Tomaso Duso, *German Institute for Economic Research*

Jo Seldeslachts, *University of Amsterdam*

Research suggests that firms have six generic transformational strategies – retirement, renewal, retrenchment, replication, redeployment, and recombination – to choose from in order to address situations where the decline stage has been reached in an industry. The resulting literature rightly focuses on specific strategies that particular firms, or industries, take in responding to such capability threats. But questions regarding which transformational strategies are commonly employed and which are commonly successful have been neglected due to narrowness in data samples. Using cross-industry panel data, we reveal which transformational strategies are both commonly employed and successful. We find that firms react to capability threats via a variety of strategic responses; yet engaging in renewal and recombination represent the only transformational strategies that actually address these threats.

## SESSION 152

**BEHAVIORAL THEORY PERSPECTIVES IN GLOBAL STRATEGY**

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Common Ground</b>	<b>Room</b>	Tiergarten III
<b>Facilitator</b>	Wolfgang Sofka, <i>Copenhagen Business School</i>	

**A Behavioral Theory Perspective on the Global and Regional Strategies of Multinational Enterprises**

Daniele Cerrato, *Catholic University of the Sacred Heart*  
 Todd Alessandri, *Northeastern University*

The tendency of multinational enterprises (MNEs) to focus their international activities within their home region has been the subject of considerable discussion. Existing research has utilized internalization theory to explain these expansion activities. We rely on behavioral theory to investigate the conditions under which MNEs pursue regional versus global strategies. We contend that attainment discrepancy and distance from bankruptcy will motivate a global orientation, while organizational slack has a curvilinear effect on global orientation. Furthermore, we suggest that product diversification plays a moderating role in these relationships. We find support for our arguments related to distance from bankruptcy and organizational slack, but not for attainment discrepancy. In addition, product diversification does play a moderating role in the relationship between distance from bankruptcy and global orientation.

**Reconfiguring Advantage: Cognitive Shifts and Mental Interventions Within a Multinational Setting**

Elizabeth Maitland, *University of New South Wales*  
 Andre Sammartino, *University of Melbourne*

Applying a behavioral strategy lens, we investigate the cognitive responses of the most senior strategic decision-makers in a large multinational corporation (MNC) to a new 'regional' strategic agenda that was 'cognitively distant' from the firm's existing geographic and product configuration and focus. We examine the mental interventions designed by the CEO to drive this agenda. We distinguish substantial cognitive roadblocks at the individual, business unit and group levels in response to these initial mental interventions. We also explore how the firm's psychological architecture elicited both significant cognitive shifts and frustration among the respondents. We track over time the reaction to the new agenda and the willingness of executives to proactively initiate footprint changes within their portfolio of product and geographic responsibilities.

**Managerial Perceptions and Risk-Return Trade-off in Internationalization**

Beate Cesinger, *New Design University*  
 Tina Ambos, *University of Geneva*  
 Felix Eggers, *University of Groningen*  
 Sascha Kraus, *University of Liechtenstein*

Based on prospect theory and random utility theory, and the application of choice modeling to a dataset of 1,386 different market entry decisions this study identifies attractive (low risk/high return) and less attractive (high risk/low return) constellations as well as conditions under which managers do choose not to internationalize. Our results reveal that managerial perceptions of target countries follow a negative risk-return relationship. Managers perceive neighboring countries as the least risky as well as yielding the highest future returns. Specifically, economic, cultural, political, and geographic distances all significantly affect the perceived risk of a target country. International work experience and entrepreneurial orientation moderate these results. This study provides a more refined analysis into the managers' internationalization decision mechanisms.

**Behavioral Effects of Distance in International Downsizing Decisions**

Miriam Zschoche, *WHU—Otto Beisheim School of Management*

Existing literature suggests that investors base their international downsizing decisions on strictly financial and/or strategic considerations. Distance – in cultural, geographic, and economic terms – is supposed to increase coordination costs and, therefore, is an efficiency-based factor determining divestment decisions. This study suggests, however, that distance also bears influences beyond efficiency considerations. Building on a theoretical construct of a moral dilemma situation, we argue that decision makers intuitively identify with – and therefore dismiss less – foreign employees in locations that are closer to them in the three distance dimensions. Two empirical analyses, one with archival data on more than 2,000 multinational downsizing decisions and one with data gathered from experiments with MBA students, show that behavioral factors of distance indeed determine international layoff decisions.

**Problem Solving in MNCs and Balanced Search: The Blessing and Curse of Diversity**

Esther Tippmann, *University College Dublin*  
 Phillip Christopher Nell, *WU-Vienna*

Problem solving theory suggests that biases can confine value creation potential and that adequate processes can offer an effective remedy. We thus argue that balanced search, or activities to reconcile the need of some solution features to be locally-tailored while others can be internationally standardized, are the outcome of comprehensive problem formulation that breaks out of local or subsidiary-specific biases. We further suggest that composition diversity in the problem solving group has a dual effect on balanced search in causing collaboration challenges, while simultaneously stimulating the flow of diverse knowledge and information. An analysis of 117 projects undertaken by 60 subsidiaries in 16 European countries supports our hypotheses. This study offers multiple contributions to problem solving theory in strategic management.

**Strategic Behavior in Emerging Markets in the Presence of Informal Competition**

Jorge Heredia, *University of the Pacific*  
 Alejandro Flores, *University of the Pacific*

Research by management investigators on informal economy has been a long lasting limitation for entrepreneurs operating in emerging economies. Managers that are accustomed to undertake traditional strategies neglect the existence of a type of competitor that doesn't follow the rules of the games, which generates greater uncertainty. In order to overcome this research gap this study analyzes the dynamics between the firms' strategic behavior in the presence of informal competition. We argue that the response of informal firms to the existence of the informal competition not only depends on the size of the informal sector but also on the technological content of the formal firm's product.



## SESSION 185

**COPING WITH ENVIRONMENTAL CHANGES**

<b>TRACK H</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Common Ground</b>	<b>Room</b>	Bishop

**Facilitator** Adelaide King, *University of Virginia*

**Building Dynamic Capabilities at the Base of the Pyramid**

Ajit Nayak, *University of Exeter*

In this paper, I draw on an eight-year longitudinal study of sensing, seizing and developing new capabilities by a large US multinational firm in India to generate insights into the significance of unowned and state transformative processes in building dynamic capabilities. My argument is that too much of what is emphasised in theoretical and empirical studies of dynamic capabilities is credited to managerial choice, design and deliberate action linked to specific agents and outcomes. In contrast, in my study I identified the significance of unowned processes and state-transformative processes which lead to learning that produced unexpected transformations and outcomes. These in turn played an important role in how the MNC learnt and built dynamic capabilities over time.

**Dynamic Capability to Address Social Concern with Corporate Benefit: Case of Cross-sector Collaboration in Poland**

Piotr Wojcik, *Kozminski University*

Building on extant literature and drawing on a single-case study of a cross-sector collaboration in Poland, this study seeks to develop an interpretive model of dynamic capability to address social concern with corporate benefit. Empirical findings indicate that establishing interorganizational collaboration by the studied firm worked as a catalyst for resource transformation that eventually improved firm's operational performance and created social benefit. Despite the firm had corporate social responsibility (CSR) program in place, it needed to alter its resource base in order to adapt to its non-profit partner. This study presents a set of theoretical propositions to guide future research and contributes to a more detailed understanding on how unique capability is developed within a firm to create simultaneously economic and social benefits.

**How do Firms Develop New Capabilities? Leica's Survival of the Digital Revolution**

Arne Keller, *Free University of Berlin*

Georg Schreyoegg, *Free University of Berlin*

Due to environmental dynamics, the advantages of organizational capabilities often happen to dissolve. In order to survive firms have to reconfigure their resource base and to develop new capabilities. There is ample evidence that these attempts frequently fail. In order to learn more about the general drivers of successful capability transformations, we studied a case of an impressive capability renewal. It is the case of Leica Camera, a classical analog photography firm that successfully managed to become a new kind of company during the digital revolution. The Leica story highlights the role of powerful, entrepreneurial interventions in the process of building new capabilities. As such, it challenges the idea of endogenous capability reconfiguration

**The Impact of Founding and Current Environmental Differences on Firm Survival and Performance**

Arnoldus Maas, *Erasmus University-Rotterdam*

Pursey Heugens, *Erasmus University-Rotterdam*

Taco Reus, *Erasmus University-Rotterdam*

Most theories that seek to determine strategies that lead to superior firm performance, neglect the possible impact of these strategies on firm survival. Furthermore, the often heterogeneous performance outcomes of these theories suggests that contemporary factors provide

an insufficient explanation. Building on imprinting theory, we argue that organizational outcomes such as performance or survival are also contingent on historical conditions. Of particular importance is the difference between contemporary and founding conditions, due to the potential misfit caused between the organization and its environment. Our analysis of U.S. firms founded between 1997 and 2012 indicates that environmental differences, moderated by firm size, have different effects on firm performance and survival.

**Could Group within an Incumbent Firm Develop a Disruptive Technology with an Old Organizational Capability?**

Mark Phillips, *University of Cambridge*

Krsto Pandza, *University of Leeds*

In this paper we report the findings of an inductive case study of how a group within an incumbent firm develop radically new and potentially disruptive innovation. Our research provides three theoretically relevant insights. First, the technological and market uncertainty will require from an incumbent firm to change underlying organizational capability, yet this change is not characterised with discontinuity from existent structures and processes. Second, the group will skilfully blend new structures and processes, which will increase complexity of firm innovation capabilities. Third, the group will frame new structures and processes as similar to the exiting one in order to increase acceptance of its actions.

**Understanding Organizational Problem-solving through Applying a Dynamic Capabilities Perspective**

Emre Karali, *Erasmus University Rotterdam*

We aim to show how unifying seemingly distinct components of the dynamic capabilities (DCs) literature into an overarching DCs framework can aid us in understanding how organizations can face challenges through the use of different routine and non-routine drivers of change. We argue that operational capabilities, dynamic organizational capabilities, dynamic managerial capabilities and ad hoc problem-solving are parts of an overarching framework that, when applying a problem-solving lens, discloses how organizational-level and managerial-level, routine and non-routine, drivers of change interact and solve problems of varying complexities. With problems, we mean challenges with both positive and negative connotations, that have to be dealt with in order to either prevent incurring severe losses or assure maintaining or enhancing the competitive edge.

## SESSION 260

**EXPLORATION AND EXPLOITATION THROUGH ALLIANCES**

<b>TRACK I, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Common Ground</b>	<b>Room</b>	Knight

**Facilitator** Dovev Lavie, *Technion-Israel Institute of Technology*

**Allying with a Prospective Rival: Shared Competitive and Collaborative Relationships in New Entrant-Incumbent Alliances**

Archita Sarmah, *ESSEC Business School*

Ha Hoang, *ESSEC Business School*

This study examines the role of shared inter-firm competitive and collaborative relationships on R&D alliance formation. The specific focus in this paper is on the decision to form an alliance when entering new R&D markets. Using a case control research design, we find evidence for our prediction that shared competitive and collaborative relationships are strong predictors of new entrant-incumbent alliance formation. In addition, our results support our supposition that shared competitive relationships have different effects on alliance formation depending on whether the firm is a new entrant or an incumbent.

## Combining New Knowledge with Old Knowledge: Collaborations Between Entrants and Incumbents

Erik Aadland, *BI Norwegian Business School*  
Yuri Mishina, *Imperial College London*  
Jamal Shamsie, *Michigan State University*

Newer entrants with an emerging segment of an established industry can reap benefits by collaborating on projects with incumbent firms. In large part, advantages can accrue from the sharing of knowledge between the partners. It is expected that benefits are likely to be greater when there is greater complementarity between the specialized knowledge of the entrants and the broader knowledge of the incumbents. In this paper, we also show that these can be further enhanced when there is some overlap between the knowledge of the partners or when the entrant has superior knowledge of the new technology.

## Converting Inventions into Breakthrough Innovations: The Role of Exploitation and Alliance Network Knowledge Heterogeneity

Susan Cohen, *University of Pittsburgh*  
Turanay Caner, *St. John's University*

We investigate how firms' exploratory and exploitative inventions can lead to breakthrough innovations, and how heterogeneous knowledge available to firms through their R&D alliance network moderates this relationship. Using panel data of U.S. biopharmaceutical firms, we find that emphasis on exploitative invention has a stronger positive effect on breakthrough innovation than does a firm's emphasis on exploratory invention. Furthermore, heterogeneous knowledge available in firms' R&D alliance network increases the number of breakthrough innovations, up to a point, and then it begins to exert a negative effect. Interestingly, engaging alliance partners with heterogeneous knowledge strengthens the positive effect of exploitative invention on a firm's production of breakthrough innovations.

## Do the Friends of My Sister Matter? Indirect R&D Alliances and Subsidiary Scientific Performance

Brenda Bos, *University of Groningen*  
Dries Faems, *University of Groningen*  
Bart Leten, *University of Leuven*  
Florian Noseleit, *University of Groningen*

Whereas alliance portfolio literature has focused on the firm-level implications of alliance portfolios, we shift the level of analysis to the subsidiary-level. We make a distinction between direct R&D alliances – i.e. R&D alliances formed by the focal R&D subsidiary – and indirect R&D alliances – i.e. R&D alliances formed by sister R&D subsidiaries of the same firm. We hypothesize that the effect of indirect alliances is contingent on overlap in knowledge bases between subsidiaries and their involvement in joint R&D projects. To test our hypotheses, we created a subsidiary-level panel dataset of 1961 R&D subsidiaries belonging to 117 pharmaceutical and biotechnology firms. Our findings provide insights into how firms' internal network structure influences their ability to reap knowledge recombination benefits from external network ties.

## Managing Core Knowledge after Downstream Destructions: A Model of Cooperation with Competitors

Alessio Cozzolino, *University College Dublin*  
Frank T. Rothaermel, *Georgia Institute of Technology*

Previous literature has shown that incumbents ally with entrants when a discontinuity destroys their upstream core knowledge and preserves the incumbents' downstream complementary assets. To complete this insightful, yet partial view, we suggest that—in the opposite case—when the upstream core knowledge is preserved and complementary assets are destroyed, rather than searching out cooperation with entrants, incumbents cooperate among themselves – in the form of consortia and intra-industry alliances. We unveil the technological antecedents,

mechanisms, and value drivers of these two different strategic responses by incumbents. We provide a more holistic view of technological change, competition, and cooperation.

## How Do Competition and Cooperation Drive Exploration?

Geert Duysters, *Tilburg University*  
Dovev Lavie, *Technion-Israel Institute of Technology*  
Anna Sabidussi, *Tilburg University*  
Uriel Stettner, *Tel Aviv University*

Firms vary in their tendencies to explore, yet little is known about the drivers that shape these tendencies. Whereas prior research has underscored organizational incentives and environmental conditions, we allude to alignment and differentiation vis-à-vis competitors and alliance partners. Studying 185 US-based high-tech firms, we find that a firm's tendency to explore increases with the exploration tendencies of its partners, although the strategic significance of its alliance portfolio mitigates this effect. In addition, the firm's exploration exhibits an inverted U-shaped association with the level of exploration pursued by its competitors, with stronger positive association observed under firm-specific uncertainty. Our study sheds new light on the heterogeneity in firms' tendencies to explore versus exploit, and advances emerging research on the dynamics of balancing exploration and exploitation.

### SESSION 298

## MARKET DYNAMICS IN TECHNOLOGY MARKETS

<b>TRACK I, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Paper</b>	<b>Room</b>	Charlottenburg III
<b>Chair</b>	Annika Lorenz, <i>Hasselt University</i>	

## Specializing In Generality: Firm Strategies In Markets For Technology

Raffaele Conti, *Catholic University of Portugal*  
Alfonso Gambardella, *Bocconi University*  
Elena Novelli, *City University London*

Our theory suggests that in vertically disintegrated industries, there might be complementarity between investing in general (rather than dedicated) technologies and selling them (rather than using them for downstream market entry) when (i) firms are upstream specialists rather than vertically integrated and (ii) downstream buyers are equally spread across markets. We test our predictions using a sample of firms in the US laser industry between 1993 and 2001. A regulatory shock that affects the cost of downstream entry provides the setting for a quasi-natural experiment that corroborates our predictions. Our study highlights the potential for exploiting economies of scope through markets rather than internal organizations.

## Technological Exit Strategy: Why IBM Sells Its Intellectual Property

Tian Chen, *University of North Carolina at Chapel Hill*  
Atul Nerkar, *University of North Carolina at Chapel Hill*

Markets for technology have existed since the mid-1800s. While much of the prior research focused on the licensing and alliance formation aspect of markets for technologies (Arora & Fosfuri, 2003), we choose to look at a firm's decision to sell its technology. This paper investigates drivers that lead a firm to part with its intellectual property. We find that greater external value leads to a higher likelihood of a technology being sold. In contrast, we find that technologies with greater internal value and that are more core to a firm are more likely to be retained by the firm. To study this phenomenon, we use survival analysis and follow the entire patent portfolio of IBM from 1985 to 2010.



## Why Firms Trademark (or not): Evidence from the US Trademark Data

Ashish Arora, *Duke University*  
Xiaoshu Bei, *Duke University*  
Wesley Cohen, *Duke University*

In this paper we explore an under-addressed question of which firms file for trademarks. Prior research established the correlation between trademarking and innovation, but did not distinguish between innovation and imitation. Using a new sample based on firms in the United States and the USPTO trademark data, we find that during the diffusion process of a product innovation, trademarks facilitate the maintenance of the innovator's first mover advantage. As a result, innovators are more likely to file for trademarks than imitators. In markets that have larger proportion of early adopters, the first mover advantage is stronger, and the difference in incentive to file for trademarks between innovators and imitators is bigger.

## Need for Speed? Exploring the Relative Importance Between Patents and Utility Models among German Firms

Jussi Heikkilä, *Jyväskylä University*  
Annika Lorenz, *Hasselt University*

Despite the wide application of two-tiered patent systems, there is little empirical evidence of firms' preferences using utility models relative to patents. Based on German firm-level data we study the use and relative importance between utility models and patents. Our results suggest that 1) firm size is associated with an increased likelihood to use both protection methods and 2) a short product life cycle is associated with an increased likelihood to use utility models. Contrary to our expectations, we do not find short product life cycles to be negatively associated with the relative importance of patents. These general observations leave room for future research to focus on the role of utility models in patent families and on more detailed industry level differences.

### SESSION 74

## CONTEXTUAL APPROACHES TO ENTREPRENEURSHIP

TRACK K, TRACK X	Date	Tuesday, Sep 20
Paper	Time	14:15 – 15:30
Chair	Room	Tiergarten II

Chair Benjamin Campbell, *Ohio State University*

## All in the Tails? Pre-Entry Knowledge and the Distribution of Startup Performance

Seth Carnahan, *University of Michigan*  
Rajshree Agarwal, *University of Maryland*  
Benjamin Campbell, *Ohio State University*

We examine how pre-entry knowledge affects variability in the performance of high technology startup firms. Our primary argument is that founders who enter from other high technology industries, whom we term "outsiders with high tech experience", will demonstrate more variability in their performance as compared to within-industry founders. Outsiders with high tech experience may lack industry-specific capabilities and may be more likely to fail than within-industry founders. However, these deficits may be source of novelty: outsiders with high tech experience may possess capabilities that are unique to the focal industry, allowing them to deliver breakthroughs that, conditional on survival, drive extreme growth. We find support for these ideas using comprehensive Census microdata from the United States.

## Songs of Experience: Structural Determinants of Returns from Specialization

Martina Montauti, *IE Business School*  
Filippo Carlo Wezel, *University of Lugano*

This paper aims to investigate the imprinting effect of cognitive market structures (i.e. categories) on the individuals' likelihood of specialization and on the related, long-term performance outcomes. We advance that an early affiliation with a clear structure increases the individual's propensity to reiterate the affiliation, namely to specialize in that structure. We further discuss the mechanisms whereby the repeated affiliation with a clear structure contributes to increase the returns from specialization, but at a decreasing rate. Analyses of artists' affiliation patterns to styles in the electronic music, as observed between 1978 and 2011, provide preliminary support to our hypotheses.

## The Role of Founder Experience on Market Scope of New Ventures in Lithium-Ion Battery Industry

Sung Namkung, *Indiana University of Pennsylvania*  
MB Sarkar, *Temple University*  
Nandini Lahiri, *American University*

Founders' strategic choices on market scope play a crucial role in new venture survival. Yet, little is known about how founders' pre-entry experience influences such choices. My study fills this gap by examining how the various features of founder experience before entry into a focal industry affect new ventures' market scope paths in an emerging industry—the global Lithium-Ion Battery cell manufacturing industry. While new ventures are more likely to expand their market scope when their founders possess prior industry experience relevant to the focal industry, they are less likely to expand their market scope when their founders possess prior experience in diverse industries. Moreover, this study shows the value of founding experience in expanding new ventures' market scope.

## Beyond Financial Value – The Importance of Corporate Venture Capital for Emerging Innovation Ecosystems

Ecaterina Puricel, *ETH Zurich*  
Boris Battistini, *ETH Zurich*  
Fredrik Hacklin, *ETH Zurich*

The effect of corporate venturing on the performance and growth of new technology ventures has been largely documented, however only limited attention has been paid to the broader impact of corporate investments on ecosystem dynamics. This study uncovers the role of corporate investors in the emergence of the marine energy ecosystems. Based on preliminary results, we present and discuss how corporate venture capital investments influence an emerging innovation ecosystem.

### SESSION 80

## ENTREPRENEURIAL GROWTH

TRACK K	Date	Tuesday, Sep 20
Paper	Time	14:15 – 15:30
Chair	Room	Charlottenburg I

Chair Timothy Ott, *Stanford University*

## Day of Small Beginnings: Entrepreneurial Bricolage as Source of Dynamic Capabilities in Young Firms

Andrew Fultz, *Rutgers University*

Extant research presents no clear explanation for how dynamic capabilities arise. Also, research suggests that time compression diseconomies make it unlikely that nascent firms can possess them. This paper attempts to provide theoretical and empirical explanations for how dynamic capabilities develop in young firms through repeated acts of entrepreneurial bricolage, supported by knowledge articulation. In a proposed longitudinal study, the author seeks to assess the level of engagement in bricolage, and the resulting development of dynamic

capabilities. If results support this theory, it will provide needed contributions to the strategic management, entrepreneurship, and bricolage literatures. Such results could provide theoretical and practical insight into how dynamic capabilities are formed, and show that dynamic capabilities can develop in young firms by means of bricolage.

### Entrepreneurial Round Tripping: The Benefits of Newness and Smallness in Multi-Directional Value Creation

Lauren Ortiz-Hunt, *Center for Innovation and Entrepreneurship*

Richard Hunt, *Virginia Polytechnic Institute*

In this study, we develop and empirically test the theory that new industry entrants hold advantages over incumbents in the shift from unidirectional to multi-directional revenue streams. Using a Cobb-Douglas production function, modified to isolate returns to innovation, we examine data from three distinct contexts: steamships on western rivers (1810-1860), satellite-based Internet services (1965–2010), and food waste recycling (1995–2015). The results reveal that while incumbents attempt to stretch existing technologies to fit emerging circumstances, entrepreneurial innovators achieve greater success by approaching multi-directional value creation as a distinct challenge, one requiring new technologies, organizational forms and business models. Our findings have implications for diverse multi-directional frontiers, including: social networking, commercial space travel, distance education, and medical treatments using nanoscale technologies.

### Frontier Cities: Analyzing the Efficiency of U.S. Metropolitan Ecosystems for Technology-Based Entrepreneurship

Siddharth Vedula, *Babson College*

Trevor McCoy, *Kauffman Foundation*

Alicia Robb, *Ewing Marion Kauffman Foundation*

Phillip Kim, *Babson College*

We examine the efficiency of U.S. metropolitan ecosystems (MEs) for technology based entrepreneurship from 1998–2012. We do so using a 4 input (strength of human capital, access to risk capital, strength of industrial base, ease of doing business), single output (composite index made up of tech startup counts, tech startup sales, and employment in tech startups) model. Results from both non-parametric DEA as well as parametric SFA analyses reveal significant regional differences in the efficiency of ecosystems. Interestingly, we find that entrepreneurial hubs (e.g. Silicon Valley) are comparatively inefficient with respect to their usage of input resources, and that the overall efficiency within the sample declined during the economic crisis from 2007–2011. We offer implications for research on entrepreneurial ecosystems as well for policy.

### The Complexity of Growth: Integrative Decision Processes as a Driver for Growth

Timothy Ott, *Stanford University*

Prior research on new ventures has highlighted growth as a desirable outcome for entrepreneurs but has not explicitly studied how top managers successfully craft and implement strategies for growth. This study considers growth as a process instead of an outcome to understand how top management teams decide what the best strategy for growth is. Through an in-depth, multiple case study of eight (8) two-sided market ventures, we develop a theoretical framework to describe how entrepreneurs grow their firms. We find that managers stack bottlenecks to link resource allocation decisions across domains and implement stepping stones to link strategic decisions across time. Our results have implications for research on strategic decision making, entrepreneurial strategy, and managerial capabilities, as well as practical implications for entrepreneurs.

#### SESSION 165

### STAKEHOLDER ENGAGEMENT AND STRATEGIC USE OF CSR

#### TRACK M

Date Tuesday, Sep 20

Time 14:15 – 15:30

Room King

#### Common Ground

#### Facilitator

Helen Wei Hu, *University of Melbourne*

### Corporate Social Responsibility: A Behavioral Theory of the Firm Perspective

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

Hyoung-Goo Kang, *Hanyang University*

How can the behavioral theory of the firm (BTF) help explain heterogeneous corporate responses (within and by extension, across firms) to growing stakeholder pressures to engage in corporate social responsibility (CSR)? We seek to answer this question by using two central BTF concepts—conflict and uncertainty—to describe the organizational decision process regarding CSR issues. We argue that depending on the levels of potential stakeholder conflict and uncertainty about the outcome of the potential solution to the issue, firms may pursue different strategies: from no engagement or outsourcing to greater (e.g., deeper and broader) stakeholder engagement (e.g., after deeper and broader search for solutions to the issue). We also suggest that with greater conflict and uncertainty firms will provide more innovative and longer-term solutions.

### Corporate Philanthropy in China: A Board of Directors' Perspective

Helen Wei Hu, *University of Melbourne*

Corporate philanthropy is a growing phenomenon in large emerging economies, such as China. Integrating stakeholder theory and an institution-based view, we argue that boards with strong governance quality are more active in stakeholder engagement through corporate philanthropy, and this engagement is moderated by institutional contingencies. Examining the publicly listed Chinese firms for the period 2007–2013, we find that effective board governance is positively associated with corporate donations. Further, we find that board governance on corporate philanthropy is strengthened when the firm is privately owned, has political connections and is located in relatively more developed regions.

### Getting By or Getting Ahead? Corporate Social Strategies of Chinese Listed Companies

Yanlong Zhang, *Peking University*

Xiaoyu Zhou, *ShanghaiTech University*

Marjorie Lyles, *Indiana University*

Heli Wang, *Singapore Management University*

Employing a conceptual network analysis, this study develops a four-strategies typology of corporate social responsibility (CSR) based on the scope and emphases conformity of CSR practices: Adherents, Revisionists, Entrepreneurs, and Conservatives. Drawing on multiple theories, we propose an internal dynamics and external pressure model suggesting that pension funds invested companies are more likely to adopt the revisionists strategy, while professional investment funds backed companies tend to favor the conservatives strategy. The high level political status controlled companies prefer the adherents and conservatives strategies, and lower political level companies would select the revisionists and entrepreneurs strategy. Finally, the social and legal constraints suggest that companies within the socially contested industry may adopt the revisionists strategy, while companies of high litigation risk would prefer the conservatives strategy.



## The Environmental Consequences of Voluntary Information Disclosure

Ben Lewis, *Brigham Young University*

Glen Dowell, *Cornell University*

Judith Walls, *Nanyang Business School*

In this paper, we examine whether the voluntary disclosure of environmental information can lead to subsequent improvements in environmental performance, and if so, through what mechanisms these improvements occur. Central to our theory is the notion that the release of environmental information can lead to performance improvements by (1) raising the internal legitimacy of environmental issues within a firm and by (2) generating increased external awareness and scrutiny of a firm's environmental activities. We test our hypotheses by examining changes in greenhouse gas emissions following the voluntary disclosure of a firm's carbon footprint to the Carbon Disclosure Project (CDP). Our preliminary results suggest that firms that respond to the CDP's request reduce their subsequent GHG emissions to a greater extent than other firms.

## Access to Finance and Corporate Social Responsibility: Evidence from a Quasi-Natural Experiment

Vanya Rusinova, *Copenhagen Business School*

Georg Wernicke, *Copenhagen Business School*

We provide causal evidence that investments into Corporate Social Responsibility are affected by firms' financial performance. To establish causality, we make use of the exogenous variation in firm-level financial constraints induced by the passage of the American Jobs Creation Act of 2004. The Act gave firms a one-off tax reduction (5.25 percent to 35 percent) for repatriating profits accumulated at foreign subsidiaries back to the US. This cash-windfall lowered firms' costs of internal financing. We further test if firms' reaction to the Act is sensitive to the level of financial constraints firms faced in the period prior to its adoption. Results from a sample of the largest US firms are confirmative but also reveal that prior financial constraints affect CSR investments in an interesting way.

## How Top Management Teams' Expertise Drives Corporate Social Performance: CSR Strategizing at the CEO-TMT-Interface

Marko Reimer, *WHU—Otto Beisheim School of Management*

Sebastiaan van Doorn, *University of Warwick*

Mariano Heyden, *University of Newcastle*

We examine the influence of upper echelons on firms' corporate social responsibility. In particular, we integrate research streams that have looked either exclusively at the CEO or at the TMT as a non-hierarchical decision-making body. Our empirical results provide support for the relevance of the interaction between the CEOs and their fellow TMT members as closely related but distinct actors in formulating CSR strategies. We find that TMTs with stronger output orientation (in contrast to throughput orientation) will engage more in CSR. This effect is stronger in TMTs of high average tenure and lower in TMTs of high average age. However, the positive effect of high TMT tenure is mitigated in teams led by CEOs with shorter career horizons (i.e. CEOs near to their retirement).

### SESSION 99

## COMPETITIVE AND COOPERATIVE DYNAMICS

### TRACK N, TRACK X

Date Tuesday, Sep 20

Time 14:15 – 15:30

### Paper

Room Tiergarten I

### Chair

Douglas Hannah, *University of Texas at Austin*

## Origins and Outcomes of Cooperation and Competition in Nascent Ecosystems

Douglas Hannah, *University of Texas at Austin*

Kathleen Eisenhardt, *Stanford University*

Competition and cooperation are fundamental to strategy, and are often closely intertwined. But how firms successfully navigate competition and

cooperation over time, particularly in dynamic industries, is not clear. Via an in-depth multiple-case study of five firms in the US residential solar industry, we induct a theoretical framework to explain how firms successfully navigate nascent ecosystems over time. We identify three distinct strategies, each of which distinctively balances cooperation and competition, and each of which carries its own unique advantages and disadvantages. Overall, we contribute to research on ecosystems and strategy in nascent industries by offering insight into the interplay between cooperation and competition, and by crystallizing the pivotal role of bottlenecks.

## Let's Keep it Between Us: The Organization of Misconduct Activities in Cartels

Fabrice Lumineau, *Purdue University*

Olivier Bertrand, *SKEMA Business School*

Christian Gnekpe, *Louvain School of Management*

This study points out that specific organizational features distinguish cartels from traditional legitimate interorganizational relationships and represent theoretical challenges for the literature on interfirm governance mechanisms. We analyze the formal and informal governance mechanisms at play to organize misconduct activities in cartels. From a database of reports and decisions made by the French Antitrust Authorities on each cartel detected between 2004 and 2015, we explore the organization of cartels using a fuzzy set qualitative comparative analysis. Our preliminary findings suggest that there exist different governance configurations, through a mix of formal and informal rules, allowing firms to maintain secrecy.

## The Dark Side of Flexibility: How Product Module Boundaries affect the Evolution of Collaborative Ventures

Richard Tee, *LUIS Guido Carli*

Pinar Ozcan, *University of Warwick*

This paper focuses on how product module boundaries affect the dynamics of competition and cooperation in multi-partner collaborative ventures. Based on a longitudinal investigation of the Symbian collaboration, we provide a framework that traces the evolution of collaborative ventures and the role of module boundaries. We find that the use of modular designs can trigger additional complexity in the collaboration, which in turn creates more competitive behavior. As the collaboration is restructured in response to these dynamics, it becomes increasingly difficult to set module boundaries. Together, these difficulties subsequently limit the ability of the venture to create both create and capture value. Overall, our framework helps understand how cooperation and competition co-evolve with product design, highlighting the dark side of flexibility.

## Strategic Choice of Collaboration Partners

Scott Rockart, *University of North Carolina at Chapel Hill*

Travis Howell, *University of North Carolina at Chapel Hill*

Competing firms often collaborate to share information, engage in joint research, spread development costs, and complete large projects. Firms are keenly aware that collaborating can affect their relative capabilities through intentional and unintentional transfer of information, knowledge, skills, and even melding of group member reputations and prestige. We look at how competitive concerns influence who collaborates with whom. We do so by combining a sociological model of networks (to see how group composition influences firms' relative capabilities) with an economic model of competition to see how the resulting firm capabilities affect firm performance. We find that while firms will often seek out the highest quality collaborators possible, under some conditions firms can improve their performance by excluding some high quality potential members from their groups.

## SESSION 107

**ARE WE FIT TO COLLABORATE?  
REPRESENTATIONS, ROUTINES, AND  
CAPABILITIES-BASED PERSPECTIVES**

<b>TRACK N</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Paper</b>	<b>Room</b>	Kopenick I/II
<b>Chair</b>	Ariane Raesfeld, <i>University of Twente</i>	

**Relational Models and Dynamics in Interfirm Collaborations**Flore Bridoux, *University of Amsterdam*

This paper advances our understanding of the characteristics and dynamics of interfirm collaborations. Building on relational models theory it focuses on managers' mental representations of interfirm relationships because how the managers involved in the collaboration see the relationship between their firm and its partner shape their decisions on their firm's behalf, which in turn feed the representation of the relationship held the partner firm's managers. The paper proposes that four mental representations can ground interfirm collaborations. These representations differ in terms of relational identity, motivation, appropriate behavior, trust, and commitment, which leads to a different balance between the partners' pursuit of individual and collective interests. Furthermore, the relational models shed light on collaboration failures by pointing to sources of harmful relational dynamics and stability.

**Performance Effects of Bridging Incompatibilities between Collaboration Partners: An Experimental Study**Manon Spin, *University of Twente*  
Ariane Raesfeld, *University of Twente*

In this study we combine two research streams: one on the effect of differences between partners, and the other on the effect of coordination mechanisms on collaborative performance. More specifically, with differences in partner-specific routines as a starting point, we investigate the mediating effect of collaboration-specific routines on collaborative innovation performance. We experimentally test our hypotheses on 31 collaborations, manipulating the differences between collaborative partners, and controlling for external influences. We gathered data by observing video and photo material made of the collaborations. Our findings show that the effect of differences in partner-specific routines on collaborative innovation performance is fully mediated by collaboration-specific routines.

**Integrating Perspectives Explaining the Relationship between Partner Fit and Alliance Performance**Noëlle Singer, *University of Bremen*

Despite the widespread use of the term "partner fit", recent studies have yielded inconsistent findings. To resolve these inconsistencies, I develop a comprehensive fit concept, which considers the multilevel nature of alliances and alliance performance. By integrating transaction cost economics, the resource-based view, contingency theory, and the resource dependence perspective, I theoretically analyze the "what" and "how" of partner fit. By "what", I refer to the lack of consistency within dimensions describing alliance partner fit on the level of the alliance project and the alliance partner. By "how", I formulate propositions explaining the isolated and combined effects of strategic, resource, structure, and power fit on alliance performance. My findings support the claim of measuring project and partner performance separately rather than overall alliance performance.

**Relational vs. Individual Capabilities: A Still Open Issue**Jay Barney, *University of Utah*  
Valentina Della Corte, *University of Naples, Federico II*  
Massimo Aria, *University of Naples, Federico II*

There is growing interest in the relationship between relational capabilities and the performance of inter-firm collaboration, giving for granted the choice of collaboration. While interesting, most of this prior work has examined the performance implications of relational capabilities independent of the other capabilities that firms bring to a relationship and to the whole set of capabilities managed by a firm. The purpose of this paper is to examine the impact of relational and non-relational capabilities on firm decisions to engage in inter-firm collaboration. This research question is examined in the context of collaborative relations in the tourist industry in Italy. Results suggest that decisions about collaboration depend not only on a firm's relational capabilities, but also on the quality of its non-relational assets.

## SESSION 210

**BOARD AND DIRECTOR CHARACTERISTICS**

<b>TRACK O</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	14:15 – 15:30
<b>Common Ground</b>	<b>Room</b>	Queen
<b>Facilitator</b>		

**The Structure of Board Committees**Andy Wu, *Harvard University*  
Kevin Chen, *University of Pennsylvania*

Utilizing a novel dataset containing full board committee membership for over 6000 firms, we document and analyze board committee structures. We find that committee use (i) is increasing with firm size, the proportion of independent directors, board size and, to some extent, busyness, while it (ii) is lower for young firms and CEO Duality. These findings are consistent with the view that committees are structured in a way to balance the benefits of decentralization with information segregation costs. By examining an exogenous change to the number of committees, we offer evidence that committees are associated with greater accountability, leading to improved monitoring performance. We also find that boards allocate directors in ways to alleviate information segregation costs.

**Board Capital Perspective: Influence of Lead Independent Director on CEO Compensation**Dinesh Hasija, *University of Arkansas*  
Alan Ellstrand, *University of Arkansas*

This paper explores the role of the lead independent directors, an unexplored area of research in corporate governance research. Drawing from a board capital perspective we examine the association between board capital of lead independent directors and two CEO compensation elements, i.e. CEO pay-mix – the proportion of incentive based pay to fixed pay, and the relative distribution of firm residuals between CEOs and shareholders. In addition, we also examine the moderating effects of lead independent directors' motivation and CEO power for the former relationship. The paper is currently in the data collection stage and sample consists of S&P 500 firms from 2004 to 2014 that have all the required financial, stock returns, and other relevant information.



## Aliens at the Top: Regulatory Uncertainty and Foreign Nationality in the Boardroom

Bersant Hobdari, *Copenhagen Business School*

Victor Zitian Chen, *University of North Carolina at Charlotte*

Sali Li, *University of South Carolina*

What should be the nationality of a firm's top command, namely, the boardroom? The conventional wisdom is that firms appoint foreign directors when they have a growing dependence on the international operations. In this study we offer an alternative theory focusing on the uncertainty of a firm's regulatory environments. Drawing on resource dependence view and institutional theory, we argue that foreign board members are appointed when a firm confronts regulatory uncertainty, where such uncertainty encompasses regulatory transition to international norms in the home country, regulatory uncertainty in the host countries, and regulatory diversity across all the countries where the firm has operations. Hypotheses are tested using a self-tailed longitudinal sample of listed firms in the four largest emerging markets, Brazil, Russia, India, and China (BRIC).

## Organizational LGBT-Friendliness: Diffusion in an Interlocking Directory Network

Panagiotis Giannakis, *University of Arkansas*

Dorothea Roumpi, *University of Arkansas*

Jonathan Johnson, *University of Arkansas*

The proposed study tries to explore the effects of the board interlocks network on the diffusion of a LGBT-friendly strategy. A social network of the interlocking directors of Fortune 1000 companies is created for the period ranging from 2006 to 2014. We examine the effects of the network ties and the position of each firm in the core-periphery structure of the network on the likelihood of the adoption of the strategy. Furthermore, the alignment and direction (liberalism vs conservatism) of the political identities of the CEO and the board of directors is proposed as an additional predictor for the implementation of the strategy.

## The Elephant (or Donkey) in the Boardroom: How Board Political Ideology Affects CEO Pay

Abhinav Gupta, *University of Washington-Seattle*

Adam Wowak, *University of Notre Dame*

Despite scholars' efforts to understand why some CEOs are paid more than others, much of the heterogeneity in CEO compensation remains a puzzle. At the center of this puzzle are boards of directors, whose mandate affords them considerable control over CEO pay. Conventional wisdom holds that boards should strive to minimize pay while maximizing the link between pay and company performance, but this assumption overlooks the possibility that even vigilant directors can differ in their governance beliefs. Our study examines how board political ideology, specifically on the liberalism-conservatism spectrum, influences CEO pay. Integrating research on political psychology and corporate governance, we hypothesize that conservative boards will pay their CEOs more than will liberal boards, and more tightly link the pay with recent firm performance.

## Effects of Investor Categories on Board Independence

Nikolaos Kavadis, *Carlos III University of Madrid*

Xavier Castaner, *University of Lausanne*

Despite some global convergence, we argue that owners may still differ in their views on board governance, in particular on the importance of board monitoring and the board structure necessary for effective monitoring. Prior research has typically assumed that differences among owners' monitoring inclination comes from their organizational type, e.g., an institutional investor versus another type of organization. We advance that it may be important to additionally consider their institutional origin, i.e., the institutions of the country from which an investor originates in terms of political economic and legal systems. In a sample of French-based large listed corporations, we find that, next to monitoring inclination proxied by their organizational type, owner institutional origin matters.

## SESSION 221

### PROBLEM-SOLVING

#### TRACK P

Date Tuesday, Sep 20

Time 14:15 – 15:30

#### Paper

Room Kopenick III

#### Chair

Stefano Brusoni, *ETH Zurich*

## A Sequence Analysis of Ill-structured Problem Solving: Was Einstein Right?

Daniella Laureiro-Martínez, *ETH Zurich*

Jose Arrieta, *ETH Zurich*

Stefano Brusoni, *ETH Zurich*

If you face a complex ill-structured problem, are you better off spending time and attention in trying to define and frame it or in trying to understand it by repeating cycles that pre-test possible solutions? We answer this question through an innovative methodology that combines think-aloud-protocols and sequence-analysis. We study the problem-solving of 49 organizational leaders. We codify and derive the sequences that involve different problem solving stages. We find that these multiple strategies group into two categories. First, those strategies that focus on the framing stages. Second, those that focus on the ideas that derive from thinking about implementation stages. Interestingly these two strategies differ in their ability to solve the problem with the latter obtaining a superior performance.

## Micro-foundations of Problem Solving: What Determines How Individuals Search?

Oana Vuculescu, *Aarhus University*

Carsten Bergenholtz, *Aarhus University*

This study contributes to the theory on problem solving as search by focusing on how individuals search and what individual antecedents determine search behaviour. So far the research has mainly addressed the strategic distinction between exploration and exploitation at an organizational level, and has done less to disentangle the heterogeneity of individual level search behaviour processes. Combining data collected from individuals solving an experimental task with a quantitative survey we identify heterogeneous search behaviours as well as evidence that individual cognitive styles explain part of this heterogeneity. Relying on modelling and simulations, we also investigate how different search strategy preferences yield different performances for different types of problems.

## Managing Socio-economic Tensions: The Role of Value-based Decision Making

Anna Dereky, *ETH Zurich*

Todd Hare, *University of Zurich*

Daniella Laureiro-Martínez, *ETH Zurich*

Stefano Brusoni, *ETH Zurich*

This paper focuses on the micro-mechanisms that underpin the human ability of taking decisions when faced by conflicting objectives. It does so relying on the results of laboratory experiment that collected behavioral data on a sample of 79 healthy individuals. The participants took part in an experiment intended to separate goal-oriented vs. habitual behavior when facing a socio-economic tension. On this basis, our study provides evidence about when and how individuals substitute social and economic objectives.

## The Problem of Horizons: Experimental Investigation of Organizational Incentives, Time, and Risk Taking

Cedric Gutierrez, *HEC Paris*

Tomasz Obloj, *HEC-Paris*

We study the impact of incentive strength, incentive horizon, and investment horizon on risk taking in organizations. Recent policy recommendations concerning the design of organizational incentives are based on a central assumption that governance structures that extend decision makers' horizons result in decreased risk taking and stronger alignment of individual-level goals with the long-term objectives of firms. We posit that this common folklore is unsubstantiated. Drawing on the behavioral mechanism of myopic loss aversion we argue that in fact the opposite is true: longer incentive and investment horizons increase excessive risk taking in resource allocation decisions. Furthermore, we also argue that this effects are further exacerbated by the power of incentives. We test our predictions using laboratory experiments.

### SESSION 223

## COGNITIVE FOUNDATIONS OF STAKEHOLDER THEORY

TRACK M, TRACK P	Date	Tuesday, Sep 20
	Time	14:15 – 15:30
Paper	Room	Schinkel I/II
Chair	Pooria Assadi, <i>Simon Fraser University</i>	

### Cognitive Frames and Mental Models. Towards the Reconciliation of Managerial Decision-Making and Stakeholders Interests

Katarzyna Piórkowska, *Wrocław University of Economics*

The aim of the proposal is to contribute conceptually to, on one hand, enhance settings and current state of the art in the realm of managerial cognitive perspective and stakeholder approach as well as, on the other hand, extend behavioral strategy concept. In response, a conceptual framework was developed to answer the following research questions: (1) How to develop managerial – stakeholder alignment?, (2) Which is the role of mental models and shared mental models in attaining managerial-stakeholder alignment?, (3) Which cognitive mechanisms and/or constructs might influence the process of developing shared mental models between managers leading to managerial-stakeholder alignment? The overarching key finding is that managerial and stakeholders mental models might lead to shared mental models that determine stakeholder – managerial alignment.

### Learning, Change, and Recidivism on Wall Street

Pooria Assadi, *Simon Fraser University*

Why do some firms learn and change in the aftermath of misconduct while others do not? I draw from organizational learning and empirically turn to the U.S. securities industry and analyze the information on instances of misconduct, as measured by firms' arbitration losses to their clients, across 648 brokerage firms over 1990–2004. I find that misconduct increases with the number of past misconduct. I also find that the positive relationship between past and future misconduct is weakened the longer the time that has elapsed since last misconduct. This supports the hypothesis that longer disengagement of firms from misconduct lessens their propensity to engage in misconduct in the future—suggesting that firms can “forget” routines that facilitate misconduct the longer those routines are unused.

## The Impact of Cognitive Dissonance Reduction Strategies and Emotions on Strategic Corporate Social Responsibility Initiatives

Rebekka Skubinn, *Leibniz University of Hannover*

Strategic Corporate Social Responsibility initiatives are decisive for integrating CSR issues into organizational strategy and actions. The success of these initiatives depends on initiative support. The majority of research investigating strategic initiative support focuses on analyzing organizational contexts. Following research recognizing the role of behavioral strategy, we investigate the impact of cognitive dissonance and emotion on CSR initiative influence activities. We develop a conceptual model demonstrating how cognitive dissonance triggers dissonance reduction strategies which in turn distinctively influence CSR initiative influence activities, while emotions intensify the latter relationship.

## Do Audiences Learn from Organizational Failures? Evidence from Security Analysts' Forecasts Following Major Oil Spills

Francisco Polidoro, *University of Texas at Austin*

Wei Yang, *University of Texas at Austin*

External audience reactions are critical forces that shape organizational learning from major failures. This study explores the possibility that audiences' reactions towards failures may require a learning process and lead to different levels of external pressures facing firms after major failures. Drawing on the research of organizational learning and financial analysts' reactions, we propose that the extent to which financial analysts can react negatively to major organizational failures reflect a process of market learning that is attenuated by the complexity of failures and financial analysts' reputation, while accentuated by the presence of prior failure experiences. The analyses of 3492 earnings forecasts following major oil spills from 2001 to 2009 under a quasi-experiment difference-in-difference design confirmed our hypotheses.



SESSION 168  
FROM CONTRADICTIONS TO PARADOXES

TRACK C, TRACK X	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Paper	Room	Schinkel I/II
Chair	Jonathan Schad, <i>University of Geneva</i>	

Making Sense of Decoupling Through Narration: The Case of Fighting Corruption in Global Business

Stefan Schembera, *University of Zurich*  
Patrick Haack, *University of Lausanne*  
Andreas G. Scherer, *University of Zurich*

We expand on previous research on the trade-off between compliance and goal achievement by examining the spatiotemporal processes of sensemaking by which the meaning of compliance and achievement is negotiated among multiple actors. Taking a qualitative analytical approach we examine the evolution of anti-corruption processes at actors in the anti-corruption field, and describe how different anti-corruption narratives have developed over time at different locations and how they have been linked to each other. We explain that through narration actors develop a shared understanding of what it means to be compliant and successful and elaborate how the apparent tension between compliance and goal achievement is dissolved through storytelling. We contribute to research by examining the ideational-communicative dynamics underlying the social de-construction of the compliance-achievement gap.

Unintended Incongruence or Strategic Decoupling? Narrative and Operational Alignment in Hybrid Organizations

Alex Murray, *University of Washington*  
Jennifer Rhymer, *University of Washington*  
Warren Boeker, *University of Washington*

The field of impact investing, comprised of firms drawing on social, environmental, and market logics, has grown rapidly during the last decade. Using a sample of 92 impact investment firms, we examine how these firms draw on a mix of social, environmental, and market logics in their narratives and actions. We investigate the factors which lead to a greater focus on one of these three logics and whether the logic espoused by the organization is reflected in their actions, or whether a decoupling occurs between what the firm says and what it does. Our study helps extend theory on hybrid organizations in the context of multiple logic firms and calls for further theorizing on alignment between a hybrid firm's narratives and its actions.

Unexpected Inaction—Why Decision Makers Fail To Harness Win-win Situations

Timo Busch, *University of Hamburg*  
Marcel Richert, *University of Hamburg*

We present a theoretical framework and testable propositions in order to explain why decision makers fail to harness win-win situations in a corporate sustainability context. While inaction can be expected when trade-offs between the sustainability dimensions exist, inaction in win-win situations is surprising and contradictory. We call this phenomenon unexpected inaction. Empirically, we draw on 14 in-depth interviews with key decision makers in small- and medium-sized enterprises. We link their individual characteristics to the sensemaking processes of scanning, interpretation, and inaction. Our results explain how unexpected inaction is the consequence of low technical know-how, short-term time perspectives, quantitative attitudes towards company growth, and a lack of distinct sustainability perceptions. The article complements the recent sustainability literature on corporate inaction, sustainability paradoxes and intertemporal tensions.

Ad Fontes – Philosophical Foundations of Paradox Research

Jonathan Schad, *University of Geneva*

As paradox is moving towards a meta-theory, research increasingly draws on its rich philosophical traditions. They include diverse fields, such as dialectics, existentialism, and logic, each emphasizing different aspects of paradoxes. However, discussions have mostly focused on single philosophical aspects, potentially leading to an incomplete and polarized view of paradox and hindering cross-fertilization. To better capture the richness of these foundational writings, this paper returns to the philosophical roots. The main philosophical traditions dealing with different aspects of paradox are introduced. This is followed by an integrative framework, which links these foundational insights to paradox research in management. This shows how philosophical aspects are reflected in a paradox meta-theory and highlights avenues for future research.

SESSION 133  
SHARING AND CROWDFUNDING: THEORY REVISITED

TRACK D	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Paper	Room	Tiergarten II
Chair	Juho Lindman, <i>Chalmers University of Technology</i>	

★ A Theory of Crowds in Time and Space: Crowds' Hidden Meaning Structure in Market Emergence

Sorah Seong, *INSEAD*

In our increasingly interconnected world, innovative paths are no longer dictated by central actors with premeditated change efforts, but by the socially emergent nature of a crowd's uncoordinated virtual interaction that transcends the physical constraints of time and space. Shifts in the locus of innovation demand new mechanisms that can better explain how novelty comes about in the context of distributed agency. To that end, this paper suggests taking the lens of a crowd's collective behavior in thinking about the emergence of consensually validated structure in a new market. I develop a conceptual framework that models the progression of crowd dynamics around a shared interest and a crowd's hidden niche structure (variation-selection-retention) that ultimately comes to drive a new market's emergence.

Crowdsourcing: Revisiting the Theory of the Firm

Hamed Tajedin, *York University*  
Anoop Madhok, *York University*  
Dorit Nevo, *Rensselaer Polytechnic Institute*

The purpose of our paper is to explain how firms can utilize a crowdsourcing strategy to tackle an inherent information problem of organizing. Specifically, the central question we address is why and how crowdsourcing can be more efficient in organizing economic activities as compared to traditional organizing. The gist of our argument is that entrepreneurship represents a fundamental piece of the puzzle in unpacking the efficiency gains of crowdsourcing. By offering the high-power incentives of the market, we argue, the firm provides a conduit for attracting actors in search of entrepreneurial profit. Our contention is that by doing so, the firm's information problem is addressed through a market mechanism whose power revolves around mobilization and coordination of bits of information dispersed throughout the economy.

## Exploring Business Models in the Sharing Economy: The Role of Individual Motivations and Platform Characteristics

Nicole Stofberg, *University of Amsterdam*  
 Marlene Vock, *University of Amsterdam*  
 Ans Kolk, *University of Amsterdam*  
 Pieter van de Glind, *shareNL*

The success of the sharing economy depends on attaining critical mass. Managers are still searching for the best business models with which to grow their platforms. The newest business models seem to minimize personal contact, in order to reduce the social responsibilities of sharing, while increasing convenience and cost efficiency. This is rooted in neoclassical thinking that all behavior—even sharing—is driven by self-interest. We include both individual personality differences (being either self or other-regarding) and different consumer roles (being either a ‘user’ or a ‘provider’) in order to better understand what motivates participants to share. We predict that convenient business models strongly signal self-interested motivations and behaviors, which will draw ‘self-regarding’ personalities and ‘users’ in but alienate ‘other-regarding’ personalities and ‘providers’.

## Strategy of the New Open Commons, Public Goods and Common Pool Resources

Juho Lindman, *Chalmers University of Technology*  
 Markus Paukku, *University of Amsterdam*

In this paper we will investigate the business models of “new commons” such as open source software and open data. These phenomena have enabled many emergent business models yet remain under-theorized in terms of strategy. By developing an understanding of the characteristics of these phenomena in terms of their subtractability and excludability we are interested in whether, and how, the theorizing of Elinor Ostrom can be used to discuss issues related to their ownership and other related rights. This “new commons” discussion related to public goods and common pool resources prompts questions that increasingly challenge public policy and firm strategies that have thus far relied on less uncertain assumptions of boundaries of organizations, property rights, ownership.

### SESSION 58

## CATEGORIES & INDUSTRY EVOLUTION

<b>TRACK E</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	15:45 – 17:00
<b>Paper</b>	<b>Room</b>	Lincke I/II
<b>Chair</b>	Shaker Zahra, <i>University of Minnesota</i>	

## Category Spanning in the Interactive Entertainment Industry

Nachiket Bhawe, *North Carolina State University*  
 Shaker Zahra, *University of Minnesota*  
 Donald Neubaum, *Oregon State University*

This study examines the performance of new products that span their category boundaries when industry boundaries are changing. Using data from the video game industry that is converging with the movie production industry, we find that customers react differently to products that span intra- and inter- industry boundaries although both increase market acceptance. We explore these differences considering the heterogeneity in product complexity and find that the level of product complexity reduces the effect of intra-industry category spanning while increasing the effect of inter-industry category spanning. We also find that as industry boundaries become less distinct over time the positive effect of product complexity on inter-industry category spanning diminishes.

## Partners In Crime: Code Violation And Preservation Between Category Insiders And Outsiders

Maima Aulia Syakhroza, *University of Cambridge*  
 Lionel Paoella, *University of Cambridge*  
 Kamal Munir, *University of Cambridge*

We study the dynamics of code preservation and code violation changes between insiders and outsiders within a single category. When insiders respond to code violation by outsiders, there exists a trade-off between authenticity segregation and competitive threat. Authenticity segregation refrains insiders from participating in outsider code violation, discounting the efforts as impure. On the other hand, competitive threat motivates insiders to participate in code violation. We find the probability of insiders to pursue code-violation exhibits a u-shaped relationship to the pervasiveness of code-violation amongst outsiders. This u-shape relationship is moderated by outsider code preservation. Whilst at low rates of outsider code preservation the u-shape relationship remains, at high rates the relationship transforms to become positive curvilinear.

## Innovation Shock and the Reshuffling of Competition: Examining the Formative Years of the Smartphone Industry

Jens Schmidt, *Aalto University*  
 Pasi Kuusela, *University of Zurich*

We examine the impact of the launch of the iPhone as an innovation shock that constituted a pivotal event in the formative years of the smartphone industry. Our findings confirm earlier results that an innovation shock increases exit rates prior to the emergence of a dominant design. We go beyond these results by examining the effect of the innovation shock on entry rates, on the degree of experimentation and on the imitation of the innovation shock design by other firms. Overall our findings show how an innovation shock can act as catalyst leading to reshuffling of competition, and they thus contribute to a better understanding of how pivotal events shape competition in the formative years of an industry.

## Two Forces Underlying Expectation Formation: Resistance and Readiness

Timo Ehrig, *Max Planck Institute for Mathematics in the Sciences*

This paper introduces a model to understand expectation formation when individuals have to revise their beliefs, as newly learned theories about the environment are inconsistent with their prior beliefs. Our model rests on two simple assumptions: individuals have different entrenchments of (resistance to give up) beliefs and they restore logical coherence of their beliefs. Our model predicts when an individual starts believing a new expectation, like ‘electric cars will dominate traditional cars’. Given a prior belief system in which a new expectation is believed to be false, it predicts which new theories, presented to the individual, are sufficiently strong to change her mind. We derive a taxonomy of structures of prior belief systems that explains different responses to strategic challenges among firm leaders.



## SESSION 299

**ENVIRONMENTAL FEATURES AND ACQUISITIONS**

<b>TRACK F</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	15:45 – 17:00
<b>Paper</b>	<b>Room</b>	Charlottenburg III

**Chair** Taco Reus, *Erasmus University-Rotterdam*

**Explaining The Global Variability Of Merger And Acquisition Prevalence And Success: A Meta-analysis**

Arnoldus Maas, *Erasmus University-Rotterdam*  
Pursey Heugens, *Erasmus University-Rotterdam*  
Taco Reus, *Erasmus University-Rotterdam*

Whereas mergers and acquisitions (M&As) appear to be a dominant mode of firm growth worldwide, their prevalence and success rates in fact differ systematically across countries. We develop the Country Acquisition Favorability Index (CAFI) to capture the conduciveness of an institutional environment towards corporate development through M&As. Country acquisition favorability is a latent multidimensional construct captured by four interrelated sets of institutions that enable or inhibit the adoption of acquisitions as a discrete structural alternative for corporate development and the acquisition process. We take a meta-analytical approach to examine how CAFI explains acquisition behavior and performance. We complement earlier meta-analyses of M&A research by showing that strategic decisions determining the prevalence and success of M&As are critically conditioned by country-level acquisition enabling and constraining institutions.

**Merger & Acquisition by Family Firms: The Effect of Distance**

Amit Baran Chakrabarti, *Indian School of Business*  
Kavil Ramachandran, *Indian School of Business*  
Sougata Ray, *Indian Institute of Management—Calcutta*

This paper investigates the mergers & acquisition strategy adopted by family firms. Specifically the impact of distance on the likelihood of family firms undertaking M&A is evaluated, in an emerging market context. We also look at some of the factors and how they might influence the decision of family firms to undertake M&A over long distances. We examine 924 domestic acquisitions announced between 1991 and 2015 by 405 Indian chemical manufacturing firms. We find that the difficulty of search with geographical distance is greater for family businesses. However the availability of critical resources eases the impact of geographic distance on family businesses.

**Governance Effectiveness vs. Civil Environmentalism: How Far Environmentally Sensitive Firms Migrate to Avoid Local Regulation?**

Gunae Choi, *Rutgers University*  
Chinmay Pattnaik, *University of Sydney*  
Ajai Gaur, *Rutgers University*

We examine impact of industry characteristics, home country- governance effectiveness and civil environmentalism on selecting a target in a country with lower environmental performance than that of acquirer's country. We focus on magnitude of environmental performance distance between home and host countries when acquirer selects target. Based on the pollution haven hypothesis and new institutionalism, we hypothesize that environmentally sensitive acquirers select targets in countries with high environmental performance distance and this effect is stronger for acquirer countries with high governance effectiveness and weaker for acquirer countries with high civil environmentalism. We confirm our hypotheses based on 2768 completed cross-border M&As between 2001–2013 from 47 acquirer countries. We provide implications based on push-pull factors between acquirer and target countries on location-choice decisions of cross-border M&As.

**How To Avoid Delisting While Managing Turbulence: M&As and Internal Investments by Newly IPO'd Firms**

Laurence Capron, *INSEAD*

We theorize about and empirically test the relationship between corporate development programs (acquisitions and internal investments) and the newly public firms' delisting hazard using an exhaustive panel dataset of all firms which IPO'd in 1988–2000. We find that newly-public firms with a balanced portfolio of acquisitions and internal investments are less likely to be delisted than those that over-rely on any one mode. Both internal turbulence (voluntary reorganization) and external turbulence (demand uncertainty) increase delisting. Acquisitions (internal investments) dampen (amplify) the negative effect of internal turbulence on firm survival. Internal investments dampen the negative effect of external turbulence on firm survival. Overall, firms should pursue both growth modes while emphasizing one mode over the other conditional on the type of turbulence.

## SESSION 157

**MERGERS AND ACQUISITIONS**

<b>TRACK G, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	15:45 – 17:00
<b>Paper</b>	<b>Room</b>	Tegel

**Chair** Pierre Dussauge, *HEC-Paris*

**Contrasting Effects of Board and Top Management Political Connections on Acquisition and International Expansion Strategies**

Joao Eduardo Albino Pimentel, *HEC-Paris*  
Rahul Anand, *HEC-Paris*  
Pierre Dussauge, *HEC-Paris*

We examine how firm political connections established through senior decision makers impact the firm's propensity to engage in risky strategic moves. In particular, we study how political relationships of board members and top managers impact a firm's overall and international acquisitions. We argue that political connections through senior managers are not homogenous. Political connections established through board members' relationships with government authorities increase the firm's propensity to engage in acquisitions and foreign acquisitions, whereas political connections established through top managers have the opposite effect. We find support for these predictions by examining acquisitions made by listed French firms during the 2009–2014 period. Overall, this study contributes to a better understanding of the influence of political connections on firm strategy.

**Institutional Environment and Cross-Border M&A Premiums**

Zhu Zhang, *Peking University*  
Marjorie Lyles, *Indiana University*  
Changqi Wu, *Peking University*

Institutional environment is very important in studying cross-border M&As. However, the impact of institutional environment on acquisition premiums is under studied. It is a common but under-recognized phenomenon that emerging economies, such as China, often overpay in acquiring foreign targets. To fill this gap, we study the role of the institutional environment in affecting premiums. We find that the larger the institutional distance between home and host country, the larger the premium is paid. However, when the institutional quality of the host country is good, the premium is reduced. When the acquirer and target are in related industries, the effect of institutional distance on the acquisition premiums is mitigated. However, we find that acquirer's cross-border M&A experience does not help as expected in reducing premiums.

## The National vs the Local: Dual Social Integration in Cross-Border Acquisitions

Helene Loe Colman, *BI Norwegian Business School*  
Audrey Rouzies, *University Toulouse 1 Capitole*  
Randi Lunnan, *BI Norwegian Business School*

Cross-border mergers and acquisitions (M&A's) suffer from high failure rates. Even though clashes of cultures and "us" versus "them" attitudes are blamed for these problems, extant research is inconclusive as to the effect of differences in national culture and identity on the integration process. We examine the role of national and local identities in a cross-border post-acquisition integration process. We find that the expressions of identity claims produce both compounding processes that facilitate social integration as well as demarcating processes which prevent social integration. Our study complements previous studies that have emphasized national cultural differences in cross-border acquisitions, by fleshing out how different loci of identity claims shape layered social integration processes, where cross border differences may not be the most salient ones.

## The Impact of Cross Border Acquisitions on Financial Risk Reduction

Vassiliki Bamiatzi, *University of Leeds*  
Liza Jabbour, *University of Birmingham*  
Georgios Efthymioulou, *University of Sheffield*

This paper examines the role of foreign versus domestic ownership in improving the financial health of acquired firms. In particular, it explores the impact of foreign and domestic acquisitions on financial risk reduction of acquired firms in Italy and Spain over the period 2002–2010. To estimate causal relationships, we control for selection bias by applying propensity score matching techniques. Our results indicate that foreign acquisition leads to a significant and steady reduction in financial risk. In contrast, the relationship between domestic acquisition and financial risk appears to be smaller and statistically less robust.

### SESSION 184

## TIMES THEY ARE A-CHANGING

TRACK H, TRACK P	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Paper	Room	Charlottenburg II
Chair	J Ignacio Canales, <i>University of Glasgow</i>	

## ★ Narrative Construction during Strategic Change: A Dynamic Perspective

Elena Dalpiaz, *Imperial College London*  
Giada Di Stefano, *HEC-Paris*

One crucial process for implementing strategic change is managing its symbolic aspects. This paper examines whether and how change narratives evolve as strategic change unfolds. Using a combination of qualitative and quantitative methodologies, we analyze the narrative produced over 30 years by Alessi, an Italian manufacturing company, to document its strategic change. We find that Alessi's change narrative evolved significantly over time, and that it was characterized by the use of multiple narrative strategies and tactics arranged around a common narrative structure. We theorize how such narrative tools help unfreeze, change, or refreeze meanings of change, and construct a coherent narrative identity for a firm as strategic change unfolds. Our findings bear important implications for research about the interpretative management of strategic change.

## Organizational Coup d'état and Strategic Change: A Process Model

Ryan Rumble, *Grenoble School of Management*  
Vincent Mangematin, *Grenoble School of Management*

Organisational coup d'état is a radical mechanism of strategic change. Unlike other forms of discontinuous management, they are triggered by deep-seated internal grievances and so are likely to trigger sensebreaking and reinterpretation of organizational narratives. However, almost nothing little has been written about them since the term was introduced almost forty years ago. We remedy this by developing a process model based on an in-depth case study of a 2014 coup as it went through three phases: tension building, confrontation, and alignment. Our findings challenge many previous assumptions about organisational coups d'état as our case demonstrates that they can be driven by non-directors, contain multiple agendas, replace whole boards, and lead to significant strategic realignment. Our findings primarily contribute to the strategic change literature.

## Understanding Strategic Change in a Business Group Affiliated Firm: Role of Internal and External Interlocks

Srinivas Gunta, *Indian Institute of Management Indore*  
Santosh Tiwari, *Indian Institute of Management*

Following the calls for opening the black box of business groups, we attempt to understand what shapes the strategic change in a business group affiliated firm. As exhorted by earlier works, we view business groups as heterogeneous entities. Classifying interlocks of an affiliated firm with another firm in the same group as internal and other interlocks as external, we explore the impact of these interlocks on two aspects of strategic change: variation and deviation. We suggest that internal interlocks reduce, while external interlocks increase strategic variation. Whereas, both the interlocks increase strategic deviation. Finally, we introduce a new aspect of strategic change- strategic allegiance (change in strategy with reference to the group average), and suggest that internal interlocks increase while external interlocks reduce strategic allegiance.

## Reconceptualizing Strategic Change as Emergence: A Theoretical Model of Nested Evolutionary Processes

Andrey Pavlov, *Cranfield University*  
Cliff Bowman, *Cranfield University*  
Laurent Mirabeau, *University of Ottawa*

Strategic change is one of the central concepts in strategic management and the evolutionary perspective has long been recognized as one of the most suitable analytical lenses for studying it. Despite this, the study of strategic change on the macro level (economic systems or populations of organizations) has been largely independent on the micro level (individual and organizational learning). This resulted in the fragmentation of the field and a theoretical discontinuity in explaining strategic change. In this paper, we integrate the mechanism of the evolutionary perspective with the explanatory apparatus of complexity theory to theorize strategic change as emergence of nested evolutionary processes. This conceptualization allows us to make a step towards theorizing strategic change holistically, from individual action to organizations and their environments.



SESSION 262

OPPORTUNITY DISCOVERY THROUGH CORPORATE VENTURING

TRACK I	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Paper	Room	Tiergarten I
Chair	Francesco Di Lorenzo, <i>Copenhagen Business School</i>	

CVC Funding and Technological Evolution: Corporate Power over Syndicate and Technological Influence of Venture’s Inventions

Rafael Corredoira, *Ohio State University*  
Francesco Di Lorenzo, *Copenhagen Business School*  
In this paper, we focus on whether corporate investments move the technological position of their backed ventures toward the technological frontier. In particular, we argue that CVC power over the syndicate facilitates the transfer of capabilities to the new venture and that ultimately helps the new venture to generate more influential inventions. Based on semiconductor industry data from 1985 to 1995, and after accounting for selection on the CVC investment process, our regression results show that CVC power is associated to new venture’s inventions with more influence on the evolution of technology. Yet, the effect decreases when power is derived from older investments. This suggests a “honeymoon effect,” where the transfer of technological capabilities and support for backed ventures wear out as time goes by.

Rude Awakening: The Influence of an Environmental Jolt on Corporate Venturing Activity

Varkey Titus, *University of Nebraska-Lincoln*  
Chris Tuggle, *University of Nebraska-Lincoln*  
Christina Carnes, *University of Nebraska-Lincoln*  
Environmental jolts can prompt managers to reexamine practices, though this has received little attention in the jolt literature. Building on both the jolt and organizational learning literatures, we use the dot-com crash as a natural experiment to test and extend the concept of vicarious learning from failure. We propose that the jolt served as a system-wide learning event that changed how firms invest in new opportunities. We comparatively examine two different investment vehicles through which firms may pursue new business opportunities: corporate venture capital investments and acquisitions. Three contingencies relevant to investment choice are hypothesized: managerial optimism, R&D intensity, and the age of the investment target. Utilizing a sample of over 1,200 investments, we find support for our hypothesized relationships.

The Hidden Agenda of Interorganizational Relationships: Knowledge Acquisition through Indirect Ties

Yongwook Lee, *Seoul National University*  
Jaeyong Song, *Seoul National University*  
This study examines the impact of indirect ties on firms’ partner selection decisions. Although scholars have long indicated that firms enter interorganizational relationships to learn skills and acquire knowledge, research has not identified the impact of knowledge provided by ‘indirect partners’. Empirically, we focus on Corporate Venture Capital (CVC) investments. To test our theory, we examine whether a CVC-venture investment relationship is more likely to form when the venture has more alliance partners, all else being equal. Moreover, we analyze whether the impact of an indirect tie is strengthened when the indirect partner is a technological leader or a competitor in the industry. Our findings suggest that interfirm relationships are strongly motivated by the additional learning benefits provided by indirect partners.

✿ Uncovering the Unknown Value of Corporate Venturing

Ecaterina Puricel, *ETH Zurich*  
Fredrik Hacklin, *ETH Zurich*  
We investigate the micro-level activities of a CV unit to explore mechanisms that generate new business opportunities for the parent firm. By studying a CV unit located at an early stage of shaping its role within the parent corporation, we develop a model of how the unit’s interplay between formal and informal activities enhances the parent firm’s screening efficiency. We develop the theory of ‘brokered effectuation’, which captures a mechanism at the level of an organizational unit. Our study enhances our knowledge on (1) the interstices of formal and informal activities as a source for organizational efficiency gain, (2) the idiosyncratic mechanisms by which a CV unit contributes to the parent firm’s core business and (3) the debate on effectuation in a corporate context.

SESSION 272

BRIDGING PUBLIC AND PRIVATE SECTORS FOR INNOVATION

TRACK I	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Paper	Room	Kopenick I/II
Chair	Rene Belderbos, <i>University of Leuven</i>	

Bridging the Gap: The Role of Boundary Spanners in University-Industry Collaboration

Valentina Tartari, *Copenhagen Business School*  
Anne ter Wal, *Imperial College Business School*  
Academia and industry differ in terms of behavioral norms and values, work objectives, expectations and time horizons. Such differences raise critical challenges for academics with a foothold in both worlds. In fact, individuals who span boundaries across different domains often face role conflict. Using in-depth information regarding the networks of research fellows sponsored by a major pharmaceutical company to work in university laboratories, this paper analyzes how individuals with dedicated boundary-spanning roles between industry and academia draw on their network resources to perform their jobs. In particular, we study how individuals choose who they rely on for advice in different situations, and how such choices may have an impact on their experienced level of role conflict, and indirectly on their job effectiveness.

University Licensing Structure; A “Pay-to-Play” Model Through Forensic Tracking?

Maryann Feldman, *University of North Carolina at Chapel Hill*  
Janet Bercovitz, *University of Illinois at Urbana-Champaign*  
Dolores Modic, *Faculty of Information Studies in Novo Mesto*  
Javier Changoluisa, *University of Jena*  
We present a very thorough picture of university funding and licensing structure, overcoming the ongoing challenge of tracking sponsor-specific funding inputs. Through “forensic” tracking we were able to undertake a comprehensive analysis that allow us not only to enrich our understanding of the licensing process but also to revise the scarce, early conclusions available in the literature. For example, our findings so far raise concerns about Wright (2014) argument to disregard corporations “locking-up”. Similarly, we question the idea of limiting the distribution of academic research outcomes. We rather observe that licensing activity is an insiders game in which connections play an important role. Our research findings so far confirm these initial claims.

TUESDAY 15:45 – 17:00

## Phone Home? Headquarters' Involvement in Foreign University Collaboration

Rene Belderbos, *University of Leuven*  
 Marcelina Grabowska, *University of Leuven*  
 Stijn Kelchtermans, *University of Leuven*  
 Bart Leten, *University of Leuven*  
 Massimo Riccaboni, *IMT School for Advanced Studies*  
 Jojo Jacob, *Grenoble School of Management*

This study analyzes why firms opt for international versus local research collaborations with foreign universities, taking their network of R&D locations as given. In particular, we study under what conditions firms rely on their local R&D unit to collaborate with a foreign university versus opt for a distant collaboration from their central R&D unit at the headquarter location. We develop arguments on the importance of centralization (scientific specialization of firms, nature of research, presence of local rivals) and decentralization (scientific specialization of the host region, novelty of the research domain) on the choice between local versus distant collaboration.

## Fieldlab as Organizational Form to Overcome the Valley of Death.

Walter Van Dyck, *Vlerick Business School*  
 Arnold Stokking, *TNO*  
 Bart Devoldere, *Vlerick Business School*  
 Claire Stolwijk, *Delft University of Technology*  
 Tom van der Horst, *TNO*

Today there is a multitude of opportunities through the joint occurrence of multiple key enabling technologies. In between the two more well-defined activities of research and new product development there is a so-called "Valley of Death", which concerns the challenges in the transition from invention to innovation. Empirically, we observe so-called fieldlabs that are a practice environment set up by public-private partnership to develop, test and implement new technologies, products, and services. In this study we introduce the fieldlab concept and address why a fieldlab exists and how a fieldlab functions. Thereto, we collect and analyse data from 10 Dutch fieldlabs while embedding our findings in relevant literature streams. This study contributes to theory, practice, and the policy domain.

### SESSION 240

## INTERORGANISATIONAL STRATEGIZING: UNDERSTANDING FAILURE AND SUCCESS

<b>TRACK J</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	15:45 – 17:00
<b>Paper</b>	<b>Room</b>	Charlottenburg I
<b>Chair</b>	Esther Tippmann, <i>University College Dublin</i>	

## Managing Informal Inter-organizational Relations: Acquiring knowledge, Legitimizing and Influencing

Aurore Haas, *Paris Dauphine University*

The theory of dynamic capabilities aims at understanding how firms can improve their fit with their environment. Whereas formal relations with the environment of the firm have been well-studied, the theory of dynamic capabilities only partially accounts for informal inter-organizational relations, through capabilities such as absorptive capacity and social networks management. The objectives and effects of informal inter-organizational relations on the firm's capacity to adapt to and to shape its environment has yet to be addressed. From a qualitative study of a professional association on diversity management, this research analyzes the micro-foundations of informal inter-organizational relations in connection with dynamic capabilities. Three possible objectives and effects of these relations were identified: acquiring and exploiting knowledge, developing legitimacy and influencing the environment.

## Making Sense of Meta-problems Through Inter-organizational Strategizing

Felix Werle, *University of Zurich*

In response to the rising complexity of strategic issues, companies are increasingly turning to inter-organizational collaborations in order to develop their individual strategies. Although this trend is well documented, little is known about the precise nature of such forms of collaboration. Drawing on sensemaking theory, we argue that such collaborations can be understood as inter-organizational sensemaking processes and that by engaging in such processes, the participating organizations extend their individual sensemaking capacities. Drawing on the analysis of two case studies of inter-organizational strategizing, we identify some of the core practices that enable inter-organizational sensemaking and show how the practices of building coalitions and "problem scoping" interact to produce particular process patterns. On that basis, we propose a process model of inter-organizational strategizing.

## Dealing With The Unknown: Strategies To Succeed When Operating In An Unregulated Industry

Jose Godinez, *Merrimack College*  
 Heather Webb, *Higher Colleges of Technology*  
 Mauricio Garita, *Universidad del Valle de Guatemala*

This study will analyze how institutional voids affect the business level strategies of multinational enterprises operating in a new industry. Using a qualitative approach, it will examine all the MNEs operating in the M-banking industry in an unregulated market. Prior research illustrated that when formal institutions are weak or inexistent, informal institutions take precedence. This study seeks to further existing knowledge by analyzing informal relations with members of the government elite, members of the judiciary, and bureaucratic levels of the government of a nation with a weak institutional environment and its consequences for success of businesses operating in an unregulated industry.

## Open Strategy Making and Interactive Framing: A Mechanism for Strategic Convergence in Issue-Driven Fields

Matthew Mount, *University of Leeds*  
 Krsto Pandza, *University of Leeds*  
 Simon Milewski, *York Management School*

This paper provides some preliminary insights regarding the role of open strategy making in triggering strategic convergence in complex, issue-driven fields. Building on an extensive 2-year field study that documents the formation of the PACT for Social Transformation, a meta-organizational coalition of 15 geographically dispersed NGOs brought together by the United Nations as a means to intensify efforts in the global response to HIV/AIDS. We present findings from a dual inductive and deductive study that analyzes the micro-interactions between PACT members during an open strategy initiative that enabled them to traverse conflicting meaning systems to converge on a meta-level strategic frame. Our study highlights two fundamental mechanisms of 'repair': (1) self-reflexion; and (2) collective collaboration, which enable individuals to consensually build a strategy.



SESSION 82

ENTREPRENEURIAL IDENTITY AND OPPORTUNITIES

TRACK K	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Paper	Room	Schinkel III
Chair	Robert Wuebker, University of Utah	

Entrepreneurial Theories, Entrepreneurial Action, and the Theory of the (New) Firm

Robert Wuebker, University of Utah  
Todd Zenger, University of Utah

This paper takes a fresh look at the theory of the firm. We depart from previous work by developing a perspective in which a value-creating entrepreneur occupies a central—if not primary—role. Building on the problem-finding, problem-solving perspective, we assert that there are three central value-creating theories that entrepreneurs can possess, elaborate these theories, and demonstrate that the nature of each theory has profound implications for how and why entrepreneurs use firms to create and capture value. We show that taking the notion of entrepreneurs as theorists seriously results in a broader theory of the firm, surprisingly counter-intuitive predictions about firm formation, and new avenues for research in strategy and entrepreneurship.

Effective Entrepreneurial Action Under Conditions of Risk and Uncertainty

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

Entrepreneurship theory suggests that the effectiveness of different entrepreneurial actions depends on the type of opportunity entrepreneurs are pursuing. Unfortunately, prior empirical work has largely treated opportunities as homogeneous –confounding the relationship between entrepreneurial actions and performance outcomes. The purpose of this paper is to assess the effectiveness of different entrepreneurial actions when accounting for the opportunity-specific levels of risk and uncertainty. The paper tests a series of hypotheses using a novel dataset from the Google Play app store. The paper finds that entrepreneurial actions impact performance differently as the level of opportunity uniqueness rises.

Biased toward Success: Understanding When and How New Venture Distress Threatens Founder Identity

Sharon Alvarez, University of Denver

Drawing on research in entrepreneurial cognitive biases, we explain how these biases motivate the expectation of new venture success as an essential element of founder identity. We then theorize about founder identity threat during new venture distress, an experience that presents potential harm to the founder identity. We propose that founder identity threat is influenced by both individual and contextual factors. Finally, we discuss the consequences of threatened identity for the founder.

How Founder Identities Shape Logics in New Venture Creation – A Set-Theoretic Analysis

Anna Wagenschwanz, Technical University of Munich  
Frank-Martin Belz, Technical University Munich

Most recently, Wry & York (2015) suggested an entrepreneur identity typology incorporating role and personal identities that are associated with either commercial or social welfare logics. By relying on this model, this study investigates how founder identities shape logics in new venture creation. More specifically, the aim of this study is to find out about which combinations of identities lead to an alignment of commercial and social welfare logics and/or the dominance of one or the other in the entrepreneur’s venture. To do so, fuzzy-set Qualitative Comparative

Analysis (fsQCA) is employed for a total of 20 case studies, integrating both qualitative and quantitative data. The results of this research will provide first empirical evidence on the nexus of founder identity and institutional logics.

SESSION 83

FAMILY FIRMS

TRACK K	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Common Ground	Room	Queen
Facilitator	James Combs, University of Central Florida	

Family Functioning, Entrepreneurship and Performance: The Case of Family Businesses

Mathew Allen, Babson College  
James Davis, Utah State University  
William Worthington, Baylor University  
Albert James, Dalhousie University

Family businesses represent the predominant form of business across the globe and account for a significant portion of both economic and social output. Family influence on the performance of family businesses is a recognized, but not well understood phenomenon. Though family can influence family business performance directly through involvement in management, this influence also takes place indirectly with family members as stakeholders impacting business performance. In this manuscript we develop a model describing how family influence on both market and social performance of family businesses. We test this model using a data set including responses from over 600 family businesses across the globe. Results indicate that the family influences both social and market performance through its impact on entrepreneurship.

Good Citizens or Corporate Thieves? Pension Funding and Family Firms

Geoffrey Martin, University of Melbourne  
Ionela Neacsu, ESC Rennes School of Business  
Luis Gomez-Mejia, Notre Dame University

We explore differences between family and non-family firms in their funding of employee defined benefit pension plans. Our theory and findings suggest that family firms are more likely to under-fund their employee pension funds relative to non-family firms. We use the concept of myopic loss aversion to argue that preservation of family control and influence takes precedence over the potential reputational losses the family would experience if their firm were not able to meet pension payments in the future. Our empirically supported theory suggests that family firms are more likely to impose higher agency costs upon non-family stakeholders (other than minority shareholders) than non-family firms and are only likely to prioritize good corporate citizenship if it is consistent with family goals.

Kinship Combinations and Efficient Family Business Governance Patterns

Xirong Cheng, Renmin University of China  
Xiaodong Yu, Central University of Finance and Economics

Previous studies have found that family firms differ from non-family firms in various aspects of efficiency of governance. However, But family firms are not all the same. Whether or not family firms with different kinships differ in efficiency of governance is still not clear. We use qualitative comparative analysis to analyze a sample of 161 family firms from the small and medium enterprise market and growth enterprise market in China’s Shenzhen Stock Exchange, and put forward three effective family business governance patterns: the patriarchal governance pattern, sibling-in-law governance pattern, and close kinship governance pattern. Based on these, we offer theoretical propositions for future research on distinctions between family businesses with different kinships.

## Succession in Family Business as Collective Sensemaking – Constructing Strategic Change via Performativity

Sanjay Goel, *University of Minnesota*

Kajari Mukherjee, *Indian Institute of Management Indore*

Incorporating a collective sensemaking via performativity lens, we develop a framework to abstract finely from the lived experiences and interactions within the family, as well as family's interactions with other stakeholders of the family as well as business, in order to explain successful succession in family firms. We aim to deploy this conceptualization to a sample of Indian family business houses, to contrast successful and unsuccessful cases of succession. Our paper has potential to explain outcomes of central interest to strategic management and strategy – construction of entrepreneurial opportunities, development of dynamic and distinctive competencies via construction of entrepreneurial logic, governance efficiency, choice of corporate strategy (e.g., diversification and internationalization) – in the context of family businesses.

## Transformational Environment and Entrepreneurial Orientation in Family Firms

Luiz Mesquita, *Arizona State University*

Matias Kalm, *Arizona State University*

Amanda Christensen, *University of Cincinnati*

Luis Gomez-Mejia, *Notre Dame University*

We study a firm's entrepreneurial orientation as a function of its ownership structure—i.e., whether the organization is owned or controlled by a family. We suggest that this relationship occurs in line with the family firms' mission to pursue an enlargement of its socioemotional wealth (SEW), which manifests in a leadership environment characterized by its transformational qualities. We propose three items moderating the proposed relationships: family control, the involvement of more employees across various hierarchy levels, and the investments in knowledge capabilities. Our empirical analysis leverages survey data with 55,540 workers from 180 large firms, on both firm- and employee-levels, and generally confirms our theory. Our study suggests that the entrepreneurial orientation of established businesses has a deep relation to its ownership structure.

## Vibrant Centenaries: Family Business Longevity and the Critical Role of Ownership Cohesion

Torsten Pieper, *Kennesaw State University*

Anne Smith, *University of Tennessee*

Joseph Astrachan, *Kennesaw State University*

How can family-owned businesses prosper and grow over centuries? This question was investigated through rich field interviews with seven long-lived family businesses from Germany. What emerged was a concern for and attention to family ownership cohesion as linked to organizational survival over several centuries. Specifically, using a grounded theory approach, we flesh out dimensions of family ownership cohesion can create greater attraction and stability for the family business system. We discuss implications for strategy and family business research and offer suggestions for future studies.

## SESSION 115

### HUMAN CAPITAL IN DYNAMIC CONTEXTS

#### TRACK L

Date Tuesday, Sep 20

Time 15:45 – 17:00

Room King

#### Common Ground

#### Facilitator

David Kryscynski, *Brigham Young University*

## Acquiring Talent When Exposed: Unpacking the Performance Implications of Recession Hiring

Rhett Brymer, *Miami University*

Amit Jain Chauradia, *Indian School of Business*

John Mawdsley, *HEC-Paris*

Extant research suggests countercyclical hiring—i.e., hiring during economic downturns—can increase firm performance. However, prior studies have yet to unpack the conditions under which this seemingly paradoxical strategy is beneficial for firms. We theorize and predict that, while firms may perceive they can achieve strategic and performance benefits from hiring expert human capital during a recession, hiring volume actually leads to a decline in firm performance. We also examine three factors that moderate the impacts of recession hiring: The extent to which firms churn their employees, the performance of their clients, and the impact of the recession on the local economies of firms. We test our hypotheses in the context of US legal services between 2005 and 2010

## Mobility, Human Capital and the Business Cycle

Eirik Sjaholm Knudsen, *Norwegian School of Economics*

Lasse Lien, *Norwegian School of Economics*

This paper examines the relationship between mobility and investments in human capital in a business cycle context. We argue that mobility creates problems for efficient investments in human capital, but that the nature of the investment problem differs over the business cycle. In a recession the problem is underinvestment in firm specific human capital, while in a boom the main problem is underinvestment in transferable knowledge. We hypothesize that firms use both mobility increasing and mobility decreasing measures to provide better investment incentives, depending on the phase of the business cycle and the type of human capital.

## Executive Mobility and Resource Configuration in Complex Environments

Y Sekou Bermiss, *University of Texas at Austin*

In this paper, I investigate how environmental complexity influences the effects of executive mobility. Blending insights from the mobility literature, the upper echelons perspective and structural contingency theory, I suggest that when complexity arises within a firm's task environment, the human capital that is functionally aligned with this contingent factor will become more valuable to that firm's viability. I test my hypotheses by studying the mobility of media-buying managers in the advertising industry during the emergence of television as a mass communication channel.



## Personality-based Foundations of Dynamic Capabilities in New Ventures

Olga Petricevic, *University of Calgary*  
Robin De Cock, *Ghent University*

The primary objective of this paper is to understand the impact of lead founder personality traits on development of three behaviorally based capacities underlying dynamic capabilities (DCs). As development of DCs unfolds early in the firm's existence, we posit that it is critical to account for both the lead founder and his/her individual human capital endowment as an important mechanism by which the origins and the evolution of DCs is influenced in new ventures. We test the proposed relationships using a sample of 146 lead founders of new tech-based ventures in Belgium and by administering five waves of surveys (2009–2013). Our findings indicate that personality traits of lead founders have differential impact on orchestrating sensing, seizing and reconfiguration activities underlying the DC construct.

## Qualitative Insights on the Evolution of Firms' Strategic Human Capital Management Practices

Frances Jorgensen, *Royal Roads University*  
Clint Chadwick, *University of Kansas*  
Elena Antonacopoulou, *University of Liverpool*

The proposed study leverages a unique data set in pursuit of a deeper understanding of how managers and firms can influence the relationship between human capital and firm performance. Utilizing qualitative longitudinal data from managers and employees in eight Danish high technology oriented entrepreneurial firms, we examine how strategic human capital (SHC) management practices evolve over time and how strategic criteria fit into the broader set of determinants of those practices. Our findings suggest that SHC management is not as intentional as is commonly (but implicitly) assumed by SHC scholars, a conclusion which has widespread implications for both prescription and description in this growing stream of research.

## Dancing with the Stars: Benefits of a Star Employee's Temporary Absence for Organizational Performance

John Chen, *University of Florida*  
Pranav Garg, *Indian Institute of Management Bangalore*

Research on star performers has primarily focused on a star as an individual. In contrast, we focus on situations where stars and non-stars work closely together. In such situations, building teamwork around a star is a complex learning process. In response, organizations simplify the learning process by prioritizing interactions involving the star. Simplified learning improves organizational performance but also creates myopia. A star's temporary absence enables the organization to overcome myopia by triggering a search for new routines. It may combine these new routines with those prior to the star's absence to improve teamwork upon the star's return. Consequently, an organization will perform better after a star's return than before her absence. We find support for our prediction using data from the National Basketball Association.

### SESSION 160

## VALUE ALLOCATION TO STAKEHOLDERS

<b>TRACK M</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	15:45 – 17:00
<b>Paper</b>	<b>Room</b>	Kopenick III

**Chair** Ryan Krause, *Texas Christian University*

## Stakeholder Strategy Patterns

Joao Mauricio Boaventura, *University of Sao Paulo*  
Keysa Mascena, *University of Sao Paulo*  
Greici Sarturi, *University of Sao Paulo*

Currently the way firms treat stakeholders in light of existing theoretical models on stakeholder strategy is relatively unknown. In this sense, this paper looks to reveal how firms behave in terms of stakeholder

strategy testing empirically the relationship between value allocation to stakeholders and the stakeholders' attributes of power and strategic importance. Data collection was carried out from the prospectuses submitted by 137 companies that ran IPO processes from 2003 to 2013. Our findings reinforce the tested relationship once our regression test showed that the stakeholders' attributes of power and strategic importance have both positive and significant relationship with value allocation. Moreover, our study revealed that the strategic importance have higher impact on value allocation than power, what's a novelty that can enrich theoretical models.

## Value Distribution to the Employee Stakeholder Group and Organizational Performance

Greici Sarturi, *University of Sao Paulo*  
Joao Mauricio Boaventura, *University of Sao Paulo*  
Richard Priem, *Texas Christian University*  
Mario Monzoni, *Getulio Vargas Foundation*

Stakeholder theory has evolved over recent years to better understand the creation and distribution of value in the interactions between the company and its stakeholders. Our research contributes to this discussion by clarifying how value distribution to employee stakeholders affects organizational performance. Thus, this research analyzes how the distribution of tangible and intangible values to the employee stakeholder group affects organizational performance. The sample comprises the set Brazilian companies that responded to the Corporate Sustainability Index (ISE) questionnaire from Brazilian Stock Exchange, between the years 2009 and 2013. The results indicate that tangible value is more associated with short-term performance, and intangible value to long-term performance. Thus, a value proposition capable of generating benefits over time should include both types of value, tangible and intangible.

## Creating Value at the Base of the Pyramid: a Business Model Approach to Addressing Poverty

Krzysztof Dembek, *University of Melbourne*  
Jodi York, *University of Melbourne*  
Prakash Singh, *University of Melbourne*

Market-based approaches to poverty alleviation at the Base of the Pyramid (BoP) have raised high economic and social expectations but delivered little results. The challenging BoP context requires business models that reach beyond traditional focus on profit and customer to create multiple forms of value for diverse stakeholders. Existing research focused on products and economic value provides little useful advice on business models at the BoP. This recent, ongoing study offers a detailed insight into how eight distinct types of business models create value for multiple stakeholders at the BoP in 55 poverty-addressing organizations in Indonesia and the Philippines. It combines activity systems and stakeholder perspectives on value to develop a BoP Business Model Matrix and offers valuable practical insights.

## The Role Of The Audit Committee And Erm System Quality On Corporate Reputation

Clara Pérez Cornejo, *University of Burgos*  
Esther de Quevedo Puente, *University of Burgos*  
Juan Delgado García, *University of Burgos*

Previous research has studied different factors that affect corporate reputation (CR)-eg. size, ownership structure, diversification, etc.-but most of these factors are usually difficult to be managed. Since Enterprise Risk Management (ERM) favors a distribution of value among company stakeholders that fulfils their expectations, we analyse whether good quality ERM system enhances CR. As AC is the main guarantor of the ERM, we also study if AC characteristics favor the quality of ERM system. Furthermore, we consider the role of the audit committee characteristics (independence, expertise and diligence) on CR. To test our hypothesis we use a sample of Spanish quoted firms for the period 2008–2014. Our paper contributes to the analysis of factors that affect CR. This study has implication for CR management.

## SESSION 93

**ALLIANCE MANAGEMENT FUNCTION, CAPABILITIES, AND LEARNING**

<b>TRACK N, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	15:45 – 17:00
<b>Paper</b>	<b>Room</b>	Zille
<b>Chair</b>	Dovev Lavie, <i>Technion-Israel Institute of Technology</i>	

**A Best Practice Paradox: The Contingent Value of the Dedicated Alliance Function**Melike Findikoglu, *Ozyegin University*Dovev Lavie, *Technion-Israel Institute of Technology*

We reveal a best practice paradox, whereby instituting organizational practices that are meant to enhance a firm's ability to leverage its experience can in fact restrict its gains from experience. In particular, the alliance literature suggests that a dedicated alliance function that promotes standardization, formalization, and centralization of alliance management practices can create value in alliances. In turn, we demonstrate how that value increases with general partnering experience and the firm's age, but declines with partner-specific experience. Our analysis of more than 15,000 alliances supports these assertions, and reveals that the firm can benefit from its partner's dedicated function more than from its own dedicated function. We conclude that organizational design can enable the firm to manage conflicting routines and overcome the best practice paradox.

**Alliance Management Capabilities and Internationalization: The Mediating Role of Innovation**Nadia Zahoor, *University of Huddersfield*Omar Al-Tabbaa, *University of Huddersfield*John Anchor, *University of Huddersfield*

Despite the abundance of research on the internationalization of Small and Medium-Sized Enterprises (SMEs) sector, we know little about the relationship between alliance management capabilities (AMC) and internationalization in this sector. Based on the resource-based view and capabilities perspective, we attempt to address this gap by offering a conceptual understanding of how AMC can impact on internationalization activity in terms of capabilities and performance. Specifically, we contend that radical and incremental co-innovations are necessary strategic actions to leverage the AMC when SMEs pursue internationalization. Furthermore, we suggest that partners' diversity can moderate the link between AMC and co-innovation.

**Rethinking the Alliance Management Function: The Co-Evolution of Alliance Capability, Learning, and Organizational Design**Tobias Knoll, *WU-Vienna*Roman Wörner, *WU-Vienna*

The question of why some firms outperform their peers in managing strategic alliances has been and still is a topic that occupies academics' and practitioners' minds alike. Based on prior research we argue that a firm's alliance management capability (AMC), alliance learning (AL) mechanisms and alliance management related organizational design (AMOD) choices constitute its alliance management function. We then constructed a theoretical research framework to facilitate an in-depth examination of the co-development of AMC, AL, and AMOD over time and in response to internal and external contextual factors. Based on the qualitative analysis of twelve case studies we were able to deduce first preliminary propositions, which show strong support of our co-evolution model.

**Exploring Governance, Trust and Performance Dynamics in Alliances: The Role of Learning Through Monitoring**Edoardo Mollona, *Bologna University*Kerstin Neumann, *Bocconi University*

We develop a more integrative view on alliance governance dynamics, using a system dynamics approach. We suggest that studying dynamic interdependencies between formal mechanisms and trust requires a better understanding of the interplay of (1) behavioral dynamics related to perceptions of opportunism and missed performance expectations, and (2) learning outcomes related to the use of formal governance, for example monitoring. This allows building up discernment capabilities, which help distinguishing between opportunistic behavior and external factors when performance shortfalls occur. Due to this learning effect, alliance partners can avoid overreactions in governance adaptations and eventually achieve trust and performance gains. Furthermore, our study shows how the debate on alliance governance dynamics can fruitfully benefit from an introduction of simulation techniques.

## SESSION 289

**TECHNOLOGY, INNOVATION, AND RISK**

<b>TRACK O</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	15:45 – 17:00
<b>Common Ground</b>	<b>Room</b>	Knight
<b>Facilitator</b>	Mariano Heyden, <i>University of Newcastle</i>	

**The Effect of Corporate Governance on Response to Technological Discontinuities**Jimi Kim, *Temple University*MB Sarkar, *Temple University*Anu Wadhwa, *Imperial College London*

We argue that corporate governance, such as ownership structure plays a pivotal role in shaping how firms search, which in turn impacts their ability to respond to technological discontinuities. In particular, higher MNC ownership with strong oversight facilitate directional search which is better suited for navigating incremental technological changes. However, when firms face radical technological discontinuities which require firms to engage in heuristic search, the same corporate governance setup may be misaligned with the problem solving activities that firms need to undertake. We empirically test our hypotheses within the mobile telecommunication industry from 2000 to 2014, covering over 200 countries globally.

**Strategic Leadership and Innovation: The Moderating Roles of Cultural Environments and Innovation Activities**Priscilla Sarai Kraft, *University of Giessen*Andreas Bausch, *University of Giessen*

Drawing on upper echelon theory, extensive research has emphasized that strategic leadership behaviors are essential for innovation. However, fueled by fragmented and inconclusive research results, the specific roles of transformational and transactional leadership styles for innovation remain unclear. Building on findings from 116 studies, covering 28 countries, and over 15 years of research, we apply meta-analytic techniques to extend this stream of research by analyzing a contingency framework. Our findings uncover that national cultural environments and innovation activities significantly moderate the influence of strategic leadership styles on innovation. Our results thus provide important insights for the management of innovations as they reveal which leadership style is appropriate to foster innovation depending on the cultural setting they are in or what type of innovation they pursue.



Aligning Strategy With Financial Reporting: Performance Benefits Of Income Smoothing For R&D Intensive Firms

Parthiban David, *American University*  
Augustine Duru, *American University*  
Mark Ma, *American University*

Considerable research in strategy has shown the importance of aligning a firm’s strategy with a variety of functional choices. Yet the role of financial reporting and the importance of fit with strategic choices remains underexplored. We theorize that, like other functional choices, a firm’s financial reporting choices should be aligned with firm’s strategy. We posit that R&D investments pose hazards on account of asset specificity and uncertainty, and therefore require appropriate governance safeguards. We distinguish between three financial reporting choices, aggressive earnings management, conservative reporting, and income smoothing, and show that income smoothing, provides appropriate safeguards, while other reporting choices exacerbate some of the hazards. We find, consistent with our theory, that R&D intensive firms tend to have higher performance when they adopt income smoothing.

New Venture Team Congenital Knowledge and Venture Innovation: Exploring Governing Mechanisms

Brian Fox, *University of Connecticut*  
Zeki Simsek, *University of Connecticut*  
Ciaran Heavey, *University College Dublin*

Using a dataset of 2,408 new ventures, we investigate the influence of new venture team congenital knowledge on new venture innovativeness. Our results show that ventures with abundant stocks of general and specific congenital knowledge exhibit higher levels of innovative activity after account for changes in human capital stocks. However, the extent to which these stocks persistently influence innovativeness depends upon team turbulence in the intervening period – with specific congenital knowledge engendering innovation when the founding team is stable, while general congenital knowledge matters more when the team experiences turbulence. We also hypothesize and find that R&D orientation is a mechanism for transmitting the influence of congenital knowledge on subsequent venture innovativeness.

When Do Founder CEOs Take More Risk Than Professional CEOs?

Joonmahn Lee, *Purdue University*  
Jongsoo Kim, *Purdue University*  
Gerry McNamara, *Michigan State University*

To understand how the individual characteristics of CEOs influence firm strategic choice, we explore the relationship between founder CEOs and strategic risk-taking. We argue that founder-CEO-managed firms will engage in greater risk-taking than professional-CEO-managed firms. Additionally, drawing on the managerial discretion literature, we argue that factors at the individual, organizational, and environmental levels will moderate the relationship. Our theoretical premise is that factors that increase managerial discretion—CEO ownership, CEO celebrity, market uncertainty, and market complexity—will positively moderate the relationship. Conversely, factors that decrease managerial discretion—institutional ownership, and firm size—will negatively moderate the relationship. We undertake our investigation within the context of US-IPO firms during the 2000–2012 period. The results show that all predictions are supported.

Corporate Dinosaurs: The CEO Age and Strategic Uniqueness Relationship – A Conformity and Persuasion Model

Franz Maybuechen, *University of Goettingen*  
Jana Oehmichen, *University of Goettingen*  
Michael Wolff, *University of Goettingen*

Previous research has revealed that CEO age can affect a firm’s strategy by influencing CEO’s time horizon, or CEO’s willingness to strategic change. We introduce a new perspective, by relating CEO age to a reduced pressure to conformity. To investigate this effect, we draw from the upper echelon theory and the social influence tactics and analyze the effect of CEO age on the strategic uniqueness of a firm. Additionally, we investigate how CEO’s own persuasion (self-assessment) and the persuasion of a CEO’s environment (external assessment) influences the CEO age strategic uniqueness relationship. Our results provide empirical evidence that CEO age leads to more strategic uniqueness. Furthermore, we find that persuasion, by either CEO’s self-assessment or external assessment, increases the CEO age effect on unique strategies.

SESSION 302  
ORGANIZATIONAL LEARNING AND ADVERSE SHOCKS

TRACK P	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Parallel Panel	Room	Bellevue

Organizational Learning and Adverse Shocks  
Chairs

Luis Ballesteros, *University of Pennsylvania*  
Jennifer Oetzel, *American University*

Panelists  
Witold Henisz, *University of Pennsylvania*  
Mary-Hunter McDonnell, *University of Pennsylvania*  
Jamal Shamsie, *Michigan State University*  
Zur Shapira, *New York University*

The goal of this session is to present a platform for research on company responses to shocks, rare events ranging from individual risks such as factory accidents to systemic risks such as financial crises and natural disasters. We adopt an organizational learning and behavioral perspective to discuss current studies and research opportunities that analyze how adverse shocks affect organizational learning and how behavioral processes such as biases and heuristics moderate and mediate such relationship.

SESSION 150  
REFINING THEORY VIA RESEARCH DESIGN

TRACK R	Date	Tuesday, Sep 20
	Time	15:45 – 17:00
Common Ground	Room	Bishop
Facilitator	Margaret White, <i>Oklahoma State University</i>	

You Keep Using That Method: I Don’t Think it Means What you Think it Means

Scott Johnson, *Oklahoma State University*

Empirical studies finding large effects of CEOs on firm performance are common in the Strategy literature. We simulate a panel of 172 firms competing in 14 industries using the agent-based simulation of Nelson and Winter (1982) and randomly assign CEOs with no effect on performance. ANOVA and regression analyses find large CEO effects in this simulated data. These biased results are induced by the simple (though realistic) evolution of firms over time creating serial correlation in the error terms. We discuss the implications of this bias for the design and evaluation of future research.

## Rewriting the Publishing Narrative for Grounded Theory Building in Strategy

Deborah Dougherty, *Rutgers University*

We do not do a good job of reviewing qualitative research for publication in strategy. One reason: we shoehorn qualitative research into the prescribed confirmation narrative that cannot comprehend the objectives and processes of qualitative work. This essay develops a discovery narrative with new story lines for presenting the introduction and literature review, methods, and findings. Qualitative studies use theory to understand a significant strategic problem in a way that enriches practitioners' and scholars' capability to address it, use abductive reasoning to explain their iterative methods, and present their findings as a coherent, substantive theory of this significant strategic challenge. I suggest new criteria for using the discovery narrative to evaluate qualitative research for publication, and new approaches to scholarly judgment.

## The Use and Contributions of Mixed Methods in Social Responsibility Research

José F. Molina-Azorin, *University of Alicante*

María Dolores López-Gamero, *University of Alicante*

Mixed methods (the combined use of quantitative and qualitative methods) is a popular approach used and studied in several fields (mainly in education and health sciences). However, its contributions and use in social responsibility research has not been examined. The aim of this paper is to examine the contributions and added value of mixed methods to analyze and solve social issues. An example of a research project that uses a mixed methods approach to study poverty alleviation is described. Moreover, this paper also analyzes the application of mixed methods in the journal *Business & Society*. Suggestions on why and how to implement mixed methods designs are offered, and recommendations are provided to guide mixed methods studies to advance our understanding of social issues.

## A Process View on Organizational Failure: A Qualitative Meta-Analysis

Jill A. Küberling, *Leuphana University Lüneburg*

Christoph Seckler, *Leuphana University of Lüneburg*

Markus Reihlen, *Leuphana University of Lüneburg*

Theres Schröder, *Leuphana University Lüneburg*

Research on organizational failure is at a cross-road. Most research on organizational failure is case-study based. While this helps us understand specific characteristics of particular cases, integrative studies that build on cumulated knowledge have yet to be conducted. In this study we will perform a qualitative meta-analysis to synthesize existing research on organizational failure on multiple levels of analysis. We will draw on 112 identified cases of organizational failure, we will outline the dominant patterns in organizational failure and how they interact on multiple levels of analysis. Our study contributes to the literature on organizational failure by shifting the perspective from either a macro perspective or a micro perspective on organizational failure towards a systemic perspective of organizational failure.

## The Blind Men and the Elephant: Dynamics in Strategy Research

Stefan Groesser, *Bern University of Applied Sciences*

Markus Schwenke, *University of St. Gallen*

This paper examines how strategy scholars have conceptualized the term "dynamics". An increasing number of studies in the field of strategic management address dynamic issues. This leads to the question of what actually is understood by "dynamics". Based on an extensive literature review, we identify four conceptualizations of dynamics which differ in their level of conceptual richness. Most of the existing studies treat dynamics in a descriptive manner; only a few studies make use of more comprehensive and sophisticated perspectives of dynamics. We provide recommendations for future work aimed at advancing the research on dynamics in strategic management.

17:00 – 17:30  
COFFEE BREAK



## SESSION 291

**ENHANCING SUSTAINABILITY—SACRIFICING PROFITABILITY?**

<b>TRACK C</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Lincke I/II

**Chair** Andreas G. Scherer, *University of Zurich*

**Different Shades of Green: Understanding Firm Responses to Normative Pressures**

Rodolphe Durand, *HEC-Paris*

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

Ioannis Ioannou, *London Business School*

Despite growing normative pressures for greater transparency, accountability and sustainability, a number of organizations respond to stakeholder demands and expectations in a symbolic way. We develop a richer conceptual understanding of how, when, and why organizations conform or comply to normative pressures in a symbolic or substantive way. Our model relates firm response heterogeneity (i.e., the “different shades of green”) to the materiality of issues and the net benefit of resource mobilization (or acquisition) to address the issues or of not taking action. We extend the basic model by considering the moderating role of resource acquisition, organizational characteristics, and degree of institutionalization. We thus contribute to the literatures on decoupling, greenwashing, and symbolic action as well as to practice.

**Dynamic Capabilities for Sustainability: Innovation and Adaptation of the Enterprise Model by Multinational Enterprises**

Maurizio Zollo, *Bocconi University*

Emanuele Bettinazzi, *Bocconi University*

Kerstin Neumann, *Bocconi University*

Petrus Maria Snoeren, *Bocconi University*

This paper argues that the concept of dynamic capabilities can be useful to study the evolutionary change processes that companies go through as they strive to adapt to societal pressures related to corporate sustainability. We argue that the current theoretical apparatus on dynamic capabilities is not sufficient to meet this challenge, and suggest to extend the model in two directions. First, distinguishing between capabilities specific to generative variation and selection of innovative ideas from those specific to their replication and retention. Second, distinguishing between behavioral and cognitive organizational elements, as objects of the innovation and change efforts. By combining these two dimensions, we propose a framework that highlights the characteristics of four different types of dynamic capabilities: adaptive, disseminative, transformational and integrative dynamic capabilities.

**Employment Protection and Risk-taking in Firm Innovation**

Dongil Keum, *New York University*

This paper examines how a firm’s ability to adjust resources, specifically its constraint from employment protection, affects firm innovation strategy and performance. Because employment protection decreases the pace and effectiveness with which firms can replace resources that turn out to be unproductive, it increases the cost of risk-taking and induces firms to be more conservative in experimenting with new resources, resulting in fewer and safer yet more incremental innovations. We find empirical support using staggered restrictions to employment-at-will by U.S. state courts that increase the cost of employee dismissal. The negative effects are also highly asymmetrical, penalizing more heavily firms with greater requirements for adjusting resources from low performance, limited financial slack, or operating in manufacturing or a technologically dynamic sector.

**Entrepreneurship in the Bean-to-bar Chocolate Niche and the Rejection of Labels Congruent With Venture Missions**

Jennifer Woolley, *Santa Clara University*

Where does your chocolate originate? Over three-quarters of the world’s chocolate starts in West Africa, a region fraught with slavery, unsafe working conditions, poor pay to farmers, and unsustainable practices. A group of entrepreneurs are trying to make chocolate more sustainable and ethically produced. However, they aren’t taking the usual route. Specifically, entrepreneurs in the bean-to-bar chocolate niche focus on ethically and sustainably sourcing and manufacturing chocolate. Multiple certifications and labels are available to chocolate firms that engage in such practices. However, instead of using these labels, entrepreneurs are actively rejecting them and sourcing directly from the farmers. This study examines why socially-oriented entrepreneurs in the bean-to-bar chocolate market forego market labels aligned with their mission.

## SESSION 61

**RIVALRY AND IMITATION**

<b>TRACK E</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Tiergarten II

**Chair** Gunnar Hauptmann, *University of St. Gallen*

**Where Do Rivalries Come From? Dyadic And Structural Determinants Of Rivalry**

Christine Beckman, *University of Maryland*

David Kirsch, *University of Maryland*

Hyeun Lee, *University of Maryland*

In this paper, we aim at analyzing how competitive relations with a specific opponent – rivals – emerge, and examine factors that predict rivalry emergence. We emphasize that rivalry can be distinguished from competition, and in order for rivalry to emerge from competitive interactions, rivals should be clearly identified and be aware of one another. Our dyadic determinants are based on the history of previous matchups between a pair of actors, and structural determinants are based on how actors in a given pair compete with others outside the pair. We tested our hypotheses based on historic game records between 129 schools in NCAA Division 1 FBS, using event history analysis to predict the creation of trophies as a measure of the initiation of rivalry.

**Perception versus Reality: How Managers’ Perceptions of Competition Influence Innovation**

Sruthi Thatchenkery, *Stanford University*

Riitta Katila, *Stanford University*

Drawing on search and organizational learning theory, we examine how managers’ perceptions of competition influence innovation. Controlling for objective competitors and using the Microsoft antitrust case to instrument for perception, we test the effects of perceptual competitors on product innovation using a novel dataset on 121 infrastructure software firms from 1995 to 2012. The results indicate that firms whose managers hold atypical and ostensibly “inaccurate” perceptions are more innovative. Specifically, firms are more innovative when managers attend to higher numbers of competitors that are mostly peripheral and in dissimilar markets. Our study contributes to research on organizational learning and cognition and, more broadly, suggests that managers can enhance innovation by thinking about competition in a manner that is “different” rather than “accurate.”

## Strategic Decision Making Trajectory of Competitive Imitation—A Multi-Competitor Market Analysis

Gunnar Hauptmann, *University of St. Gallen*  
Björn Ambos, *University of St. Gallen*  
Tina Ambos, *University of Geneva*

What are the processes within organizations that lead to decisions regarding competitive actions? Within markets consisting of at least two players, strategy or action imitation is a common phenomenon. Laggard firms often choose the current market leader as a performance and strategic benchmark. We know, however, very little about the decision making processes that motivate and drive these imitation decisions. Neither within a dyadic nor within a multi-competitor environment, can we conclude on when a rival imitation is advisable. We propose to explore how such decisions come to be, by investigating the strategic decision making process. We aim to investigate this phenomenon by making use of fine grained and comprehensive qualitative and quantitative data from multi-competitor (fleet) sailing race the Volvo Ocean Race 2014/2015 (VOR).

## Social Media and Analyst Heterogeneity

Eun-Hee Kim, *George Washington University*  
Yoona Youm, *George Washington University*

We propose to study how different securities analysts may make use of information in the social media space differently. Our preliminary empirical evidence shows that securities analysts who tend to give accurate yet bold forecasts/recommendations make greater use of information provided by firms in their social media accounts. Also, analysts hired by smaller size brokerage firms make greater use of such information than those hired by larger size brokerage firms.

### SESSION 121

## ORGANIZATIONAL LEARNING IN ACQUISITIONS

TRACK F, TRACK X Date Tuesday, Sep 20

Time 17:30 – 18:45

Paper Room Schinkel I/II

Chair Mario Schijven, *University of Illinois at Urbana-Champaign*

## Balanced versus Focused: The Contingent Nature of Effective Corporate Development in Dynamic Environments

Deepak Jena, *University of North Carolina at Chapel Hill*  
Travis Howell, *University of North Carolina at Chapel Hill*  
Patia McGrath, *University of North Carolina at Chapel Hill*  
Chris Bingham, *University of North Carolina at Chapel Hill*

Although past literature has studied the effectiveness of a balanced versus focused learning approach in organizational settings, existing literature has not investigated the performance implications of following a balanced versus focused approach to corporate development. Tradeoffs between these approaches deserve attention because while some firms follow a focused approach (i.e., emphasizing one type of scope change, such as a focus on alliances or on acquisitions), others follow a balanced approach to their corporate development activities (engaging in both acquisitions and alliances). We compare these two approaches and discuss situations in which one approach is likely to be preferred over the other. Specifically, we discuss how the effectiveness of each approach will be moderated by the level of environmental velocity, complexity, ambiguity, unpredictability, and slack.

## Geographic Overlap and Acquisition Match: A Learning Perspective

Zhuo Chen, *Rice University*  
Prashant Kale, *Rice University*  
Robert Hoskisson, *Rice University*

This study examines the role of geographic factors in explaining acquisition match. Drawing from strategic geography and organizational learning, we theorize that geographic overlap between the acquiring and potential target firm's business operations enables the acquiring firm to learn about the potential target through its multiple business operations that are proximate to the target, and thereby increases the likelihood of that potential target being selected as an acquisition match. Using a matched sample which includes 904 domestic M&As in the U.S., we find evidence supporting our hypothesis. More interestingly, we further find that this positive relationship is weakened by the product similarity between the two firms and the geographic dispersion of the acquiring firm.

## Learning While You Were There: CEO's Prior Acquisition Experience, Acquisition Behavior and Acquisition Performance

Felix Meissner, *University of Zurich*  
Pasi Kuusela, *University of Zurich*

A CEO's past history is an important yet understudied factor that may offer additional power to explain acquisition behavior and performance. We suggest that the CEO's past acquisition experience is a central antecedent of acquisition behavior as well as acquisition performance. These effects are moderated by the prior performance feedback, to which the CEO has been exposed. We investigate our ideas in the Chemicals industry using longitudinal data of the 283 largest Chemicals firms 1997–2014 and their CEOs' employment history.

## The Locus of Acquisition Capability Development: Organizational Hierarchy and the Context Specificity of Experience

Mario Schijven, *University of Illinois at Urbana-Champaign*  
Xavier Martin, *Tilburg University*

Breaking with the existing literature's implicit assumption that acquisition capability development is exclusively pursued in corporate headquarters, we theorize that acquiring firms develop multiple, distinct pockets of acquisition experience at different hierarchical levels. We argue that the experience gained within the boundaries of an individual business unit is inevitably more context-specific than the more heterogeneous, firm-wide experience that accrues within CHQ, thus rendering the BU's pocket of experience less vulnerable to negative experience transfer. Notwithstanding its inherent weaknesses, however, we argue that corporate-level experience plays an important complementary role. Using panel data on all acquisitions undertaken by 298 BUs of 52 U.S. software firms over the 48 quarterly periods from 1998 through 2009, we find considerable support for our arguments.



## SESSION 177

**CHANGE PROCESSES IN THE MNC**

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Charlottenburg III

**Chair** Clarissa E. Weber, *University of Goettingen*

### Managerial Misperception of Differences Between Countries – An Empirical Study on Antecedents and Effect

Clarissa E. Weber, *University of Goettingen*  
 Dominik Chahabadi, *University of Goettingen*  
 Indre Maurer, *University of Goettingen*

Building on recent literature of managerial cognition and managerial perceptions of country differences, we introduce the concept of managerial misperception of country differences, which describes the deviation of managers' perceived country differences from actual differences. We theoretically derive and empirically test multi-level antecedents and the performance effect of managerial misperception using 186 cases of internationalization projects in the renewable-energy industry. We find that firm size and strong partnerships in the host country are negatively associated with managerial misperception, while there is a positive impact of international scope and cultural distance and no effect of managers' international experience on the degree of misperception. Furthermore, we find a negative relationship between managerial misperception and firms' host country performance, underlining the great importance of the managerial misperception concept.

### Death By Success: The International Diffusion And The Subsequent Deinstitutionalization Of The TPO Practice

Kerem Gurses, *LUISS Guido Carli University*  
 Ferran Giones, *University of Southern Denmark*  
 Kandarpkumar Mehta, *IIESE Business School*

We use international diffusion, deinstitutionalization, and power theory to explain the diffusion and ban of the third-party ownership (TPO) practice in the soccer industry. We use an inductive case study combining archival and interview data to identify the mechanisms that lead to the diffusion, but also to the contestation and deinstitutionalization of TPO. The results suggest that the practice evolution can be explained as a process of layered escalation. Regardless of the economic benefits for the stakeholders that supported the diffusion of the practice, their nested position restricts their access and influence to the dominant stakeholders on the later stages, explaining the deinstitutionalization of an internationally diffused practice.

### Semi-Global Strategies of Service MNEs: An Empirical Case of International Retail Industry

Oksana Grebinevych, *Montpellier Business School*  
 Jean-Luc Arregle, *EM Lyon Business School*

Previous studies on location choices of MNEs have identified semiglobal pattern of MNEs' foreign expansion (regional aggregation and integration of MNE's activities). We extend this framework to service multinationals and identify three conditions that cause variation in firms' propensity to develop semiglobal strategies. First, we argue that the extent of semiglobalization is contingent on a type of region a firm operates in. MNEs employ semiglobal strategy as a complexity mitigating mechanism to manage their expansion within foreign regions while following a different behavioral pattern within home region. Second, greater intra-regional diversification reinforces the semiglobal pattern of internationalization, as it creates additional options for a firm to develop and sustain region-bound firm specific advantages. Third, speed is negatively associated with semiglobal pattern of expansion.

### Organizational Slack and Post-Merger Performance: Evidence from Domestic and International Takeovers

Konstantinos Bozos, *University of Leeds*  
 Vassiliki Bamiatz, *University of Leeds*  
 Tamer Cavusgil, *Georgia State University*  
 G. Tomas M. Hult, *Michigan State University*

We theorize and probe into the role of organizational slack on post-merger performance. Using a sample of 9,345 US takeovers during 1995–2014, we examine the effects of different types of slack—unabsorbed, absorbed, high and low discretion slack—on bidder post-takeover performance. We find organizational slack, which is not readily available, may aggravate the negative effects of a takeover, causing further losses in market value. Instead, readily available slack—such as cash reserves—may mitigate the challenges from a corporate takeover and moderate acquirers' losses. The above effects are amplified across international takeovers. We conclude that slack is not only an important motivator for multinationality—as suggested in the past—but may also act as a facilitator for the success of cross-border investment decisions.

## SESSION 263

### INTERPERSONAL COLLABORATION IN TECHNICAL AND CREATIVE SETTINGS

<b>TRACK I</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Common Ground</b>	<b>Room</b>	Queen

**Facilitator** Marie Louise Mors, *Copenhagen Business School*

### Disrupted Coordination?: How Scientist Experience Shapes Coordination And Innovation Value After Scientist Relocation

Amit Jain, *National University of Singapore*  
 Kenneth Huang, *National University of Singapore*

Coordination challenges are an integral part of creative group work, but existing research underemphasizes how organizations face these challenges. We address this gap by studying the effectiveness of prior experience that scientists possess to counter coordination challenges due to new team member introduction and the 1994 Northridge earthquake which led many scientists to move to a new work place. Our difference-in-differences analysis of 496 genomics scientists indicates that prior to moving, scientist experience resulted in rigidity and introducing new team members disrupted coordination, diminishing value created in R&D. Since repeat collaboration reinforced coordination, it was positively associated with value created. Furthermore, experienced scientists moving after the earthquake create value in their new settings but were less successful in stabilizing disruptions to repeated collaborative activity.

### Costs of Collaborating with Climbers of Status Hierarchies: Status Dynamics, Tie Creation and Performance

Jacob Jeppesen, *Copenhagen Business School*  
 Kristina Vaarst Andersen, *Copenhagen Business School*

In this paper we build a theoretical framework for understanding the relationship between status dynamics, tie creation and performance. Drawing on status literature and the emerging literature on status dynamics we extend this perspective by including the status dynamics of collaboration partners. Utilizing a database of 3402 scientists affiliated with a US Large Scale Research Facility we find that there is a cost of collaborating with rising stars as collaboration partners' positive status shifts is negatively associated with performance. We find that the association between individual scientists' status attainment and tie creation follows an inverted U-shape, while the relationship between status attainment and performance is positive. Finally, we find that status decline has a negative association with both tie creation and subsequent performance.

## Fast Success and Slow Failure: The Costs of Collaboration across Formal Boundaries

Marie Louise Mors, *Copenhagen Business School*

David Waguespack, *University of Maryland*

Do the benefits of cross boundary collaborations outweigh the costs? We seek to answer this question by examining 5079 collaborations in the Internet Engineering Task Force (IETF). Our findings suggest that crossing formal boundaries is positively related to success and efficiency of the collaboration. Yet there are high costs associated with cross boundary collaborations for unsuccessful projects, as these take longer to fail, and therefore hold up resources that could be reallocated to other projects. We find that even with a boost in success, the costs are higher than the likelihood of success, suggesting that firms are better off investing in non-diverse projects. This finding has important implications for how we think about the benefits of seeking novelty.

## Where Do Stars Come From? The Role of Star versus Non-Star Collaborators in Creative Settings

Haibo Liu, *University of California, Riverside*

Jurgen Mihm, *INSEAD*

Manuel Sosa, *INSEAD*

Despite being rare, stars make disproportionately influential contributions to their fields. This paper studies the role of inter-personal collaboration in the emergence of star designers—in particular, how a designer's likelihood of becoming a star is affected by collaborating with stars as compared to non-stars. We find that collaborating with a star makes a designer much more likely to attain star status than collaborating with non-stars. More importantly, we examine how the quality of a collaborator (star vs. non-star) moderates the influence of two important contextual factors of collaboration: social network cohesion and expertise similarity. By distinguishing collaborators based on their quality, we reconcile those contrasting results. We test our predictions using design patents in the United States from 1975 through 2010.

## Intrapersonal Diversity in Function and Genre in Creative Teams: A Study of Music Industry

Susumu Nagayama, *Waseda University*

Akie Iriyama, *Waseda University*

Extant research on intrapersonal diversity, i.e., knowledge diversity embedded in individuals, has recognized it as a one-dimensional concept. We argue that such a view is too simplistic, masking the heterogeneity of intrapersonal diversity, which has different implications for team performance. We specifically distinguish intrapersonal diversity into functional diversity and genre diversity. We test our hypotheses using data of 9,855 music singles from the Japanese music industry published over 27 years. Our preliminary results found that the functional diversity of both music composers and lyricists increases the probability of creating hit songs, including blockbusters, whereas their genre diversity decreases it. In addition, an overlap of functional diversity between composer and lyricist increases the chances of creating moderate-level hit-songs as they accumulate collaborative experiences with each other.

## SESSION 293

## BUILDING RELIABLE PROCESSES FOR INNOVATION

<b>TRACK I</b>	<b>Date</b>	Tuesday, Sep 20
<b>Paper</b>	<b>Time</b>	17:30 – 18:45
<b>Chair</b>	<b>Room</b>	Tegel

Christina Carnes, *University of Nebraska-Lincoln*

## The Pathbuilders: Inviting and Guiding Innovation Accumulation for Strategic Renewal

Kati Järvi, *Hanken School of Economics*

Liisa Valikangas, *Aalto University*

Prior research has documented the difficulty of strategic renewal in large established corporations. Here, we follow a network of self-appointed change agents as they develop innovation capacity across the organization, search for novel solutions for business-led problems and accumulate changes for strategic renewal. Their activities amount to expanding the capacity for innovation in one of the oldest industrial companies in the world, and as such, contribute to the strategic renewal of the company is pursuing not in one big top-down step change but through a multitude of accumulative smaller moves. In this study, we examine and theorize the kind of corporate renewal that is inclusive and emergent (i.e., innovative) rather than planned or executed top down, yet supported by strong renewal intent by the management.

## Taxes And Radical vs. Incremental Innovation

M. Nesij Huvaj, *Suffolk University*

William Johnson, *Suffolk University*

Using panel data from the US medical device industry and a difference-in-differences methodology, we examine how a sales tax on sales of medical devices influences innovation portfolio choices of medical device firms. In response to such an exogenous shock, large firms develop more incremental innovations, while small firms continue pursuing a relatively higher share of radical innovations. Our findings contribute to the exploration-exploitation literature both theoretically and empirically. Theoretically, we provide an explanation of the impact of taxes on the innovation portfolio choices of firms. Empirically, we develop a novel measure of radical and incremental innovation at the product-level.

## The Contingent Effect of Synchronization on Leveraging Resources for Innovation

Christina Carnes, *University of Nebraska-Lincoln*

Michael A. Hitt, *Texas A&M University and TCU*

David Sirmon, *University of Washington*

Francesco Chirico, *Jönköping University*

Dong Wook Huh, *Frostburg State University*

Leveraging resources to exploit opportunities in external markets is at the heart of innovation. However, research suggests that leveraging resources is complicated and fraught with challenges. Building on work in resource orchestration by integrating behavioral logic relating to search behaviors and use of slack resources, we argue synchronization of internal activities enhances the innovation gains of a firm's leveraging strategy (resource advantage, market opportunity, and entrepreneurial). We further suggest that this impact of synchronization on leveraging strategy and innovation is dependent on firms' performance relative to social aspirations, elucidating boundary conditions of resource orchestration. Our findings offer theoretical and practical implications for understanding the influence of synchronization, leveraging strategies, and firm performance on innovation.



## Bridging the Gap from Inventions to Innovations—Increasing Success Rates in Clinical Trials

Anne Assmus, *Artisan Healthcare Consulting*

Carolin Haeussler, *University of Passau*

Turning basic research discoveries into marketable products or technologies is a major challenge. We conceptualize the skills necessary for exploitation to go beyond the “the use and development of things already known” (Levinthal & March, 1993, 108) by discussing how basic and applied research skills need to interact. Using data on 4000 clinical trials in the pharmaceutical industry, we find that the likelihood of success increases, when the investigators leading these trials have “horizontal bridging” skills—i.e., have a skill set that balances basic and applied science to “translate” for non-bridging investigators. Experience in diverse fields within a team—termed “vertical bridging”—reduces success. However, investigators with basic research skills, who can draw on a basic research map, are equipped to translate between different fields.

### SESSION 73

## ENTREPRENEURIAL NETWORKS AND ALLIANCES

**TRACK K** **Date** Tuesday, Sep 20

**Time** 17:30 – 18:45

**Paper** **Room** Tiergarten I

**Chair** Bart Vanneste, *University College London*

## Acquiring New Ties Through Agentic Action: Effect of Goal Focus on Individual Driven Networking

Sachidananda B S, *Indian Institute of Management Bangalore*

Building on the agentic perspective, emerging from the study of entrepreneurial networking actions, this study explores how goals influence networking actions—primarily on the tie-acquiring networking action of entrepreneurs. Prior research on entrepreneurial action indicates that entrepreneur's intentions play a significant role. In this study, we modify intentions with an explicit goal and study its influence on network size. We find that the goal focused networking is distinct from individual determined networking without an explicit goal. The influence of goal was found to dominate the personality characteristics and networking style of individuals. This study thus highlights the importance of goal as an important consideration in the agentic networking perspective.

## Linking Resource Mobilization Approaches and Performance in Entrepreneurial Ventures: A Social Network Perspective

Abiodun Adegbile, *European University Viadrina Frankfurt*

Albrecht Söllner, *European University Viadrina Frankfurt*

Heinz-Theo Wagner, *German Graduate School of Management and Law*

What is the relationship between resource mobilization approaches and entrepreneurial venture performance? We examined two resource mobilization approaches—bricolage and optimization—defined as recombining existing resources for new purposes and using new standard resources for the specific application for which the resource is intended, respectively. We argue that the effect of resource mobilisation approaches on entrepreneurial venture performance is contingent upon network embeddedness (the extent to which an entrepreneur is involved in a network of interconnected inter-firm relationships) and network complementarity (the extent of overlap between an entrepreneur's current network priorities and the resources potentially available from a person). Using data pertaining to new venture firms, we test our hypotheses and discuss implications for new ventures and the broader entrepreneurship literature.

## The Relational Sensing Of New Opportunities In Business Matchmaking Events

Alessandro Giudici, *City University London*

Patrick Reinmoeller, *Cranfield University*

Yiannis Kouropalatis, *Cardiff University*

We investigate how firms can effectively benefit from supporting networks when searching for new opportunities in industry events. Our investigation suggests that deliberate investments in building partner-specific absorptive capacity with hosting organizations significantly shape the opportunities that firms are able to sense. We found that this effect is fully mediated by firms' organizational self-awareness in terms of internal resource cognition and external market intelligence. We test the effect of the interplay of partner-specific absorptive capacity and organizational self-awareness on a sample of 166 firms participating in a large business matchmaking event organized by a venture association. Our results also shows that resource cognition and market intelligence lead to different yet complementary outcomes and that firms' entrepreneurial orientation only partly moderate the effectiveness of opportunity sensing.

## When To Go It Alone: Startups, Alliances, and Resource Accumulation

Kenny Ching, *University College London*

Bart Vanneste, *University College London*

One way to overcome the liability of newness is to form an alliance. An alliance provides access to a partner's resources, but we argue that it may also inhibit the development of a startup's own resources. A startup thus faces a trade-off not only whether but also when to partner. We study this trade-off using data on entrepreneurs launching new channels on YouTube and the alliances they form with Multi-Channel Networks. We argue that weaker startups benefit less from forming alliances than stronger startups do. We find this is the case and that weaker startups incur performance penalties in the order of 10-40% when forming an alliance compared to not forming an alliance. Hence, entrepreneurs need to carefully consider the timing of an alliance.

### SESSION 100

## THE OPPORTUNITY IS THE PROBLEM: NEW DIRECTIONS IN ENTREPRENEURSHIP

**TRACK K** **Date** Tuesday, Sep 20

**Time** 17:30 – 18:45

**Parallel Panel** **Room** Bellevue

## The Opportunity is the Problem: New Directions in Entrepreneurship

### Chair

Robert Wuebker, *University of Utah*

### Panelists

Nathan Furr, *INSEAD*

Peter Klein, *Baylor University*

Michael Leiblein, *Ohio State University*

Jackson Nickerson, *Washington University in St. Louis*

Todd Zenger, *University of Utah*

This symposium offers an introduction to, and a structured dialogue about several promising new directions in entrepreneurship. While these initiatives differ substantially in terms of their emphasis and their implications for a program of research for the field, they share a central concern: a suspicion that the unit of analysis in entrepreneurship research—the “individual/opportunity nexus”—and its entailing scholarly program has, in important ways, run its course. Panel participants will introduce their work on this topic and then engage in a moderated panel discussion—leaving time for audience participation and questions.

## SESSION 297

**RECRUITMENT RETENTION AND JOB MOBILITY**

<b>TRACK L</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Common Ground</b>	<b>Room</b>	Bishop

**Facilitator** Benjamin Campbell, *Ohio State University*

**Job Expansion Patterns for Women: The Case of Spain**

Paula Apascaritei, *IESE Business School*

Marta Elvira, *IESE Business School*

Human capital is a multilevel resource and the basis of sustained competitive advantage for organizations (Ployhart & Moliterno, 2011). Organizations are constrained in human capital strategies by national context (Liu, van Jaarsveld, Batt, & Frost, 2014). Therefore, we propose a study of human capital in context using a multi-disciplinary approach to research patterns of employment expansion for women in Spain from 1998 to 2007. Two mainstream theories predict differing results for the patterns of expansion. First, the routinization hypothesis predicts polarized job expansion for women. Second, the educational hypothesis predicts job upgrading for women. Through correlational analysis we find evidence that the job expansion pattern for women in Spain has been that of job upgrading.

**Linking Employer Branding and Firm Performance: Testing an Integrative Model of Recruitment and Retention Processes**

Andranik Tumasjan, *Technical University of Munich*

Florian Kunze, *University of Konstanz*

Heike Bruch, *University of St. Gallen*

Isabell Welp, *Technical University of Munich*

Faced with competitive labor markets, firms increasingly use employer branding to strategically manage their employer image with the aim of building a talented workforce. Extant research has mostly investigated the individual-level effects of employer brand attributes but has neglected whether and how engaging in employer branding as a firm-level strategy benefits workforce characteristics and, ultimately, firm performance. Integrating brand marketing theory with strategic human resource management research, we address this research gap. We develop and test a comprehensive model linking firms' employer branding orientation with firm performance through its positive influence on brand performance as well as external recruitment (i.e., applicant pool) and internal retention (i.e., turnover intent) outcomes. We discuss the implications for both the strategic human capital literature and firms' talent management practices.

**Retaining Valued Human Capital in Competitive Labor Markets: Insights from Headhunters**

Dorothea Roumpi, *University of Arkansas*

John Delery, *University of Arkansas*

Acknowledging that human capital mobility constitutes an important organizational barrier towards achieving sustainable competitive advantage, extant research has demonstrated compelling evidence linking specific HR practices and voluntary turnover. Focusing on supply-side mobility constraints, this stream of research rests on the assumption that satisfied employees are less likely to leave the organization. The demand-side mobility constraints, however, have received less attention and most of the relevant suggestions are based on speculations regarding HR practices inhibiting the external visibility of high performers. Drawing on the insights that headhunters can offer due to their unique position in the labor market, the main purpose of this study is to build grounded theory about the HR practices that can protect organizations from poaching without simultaneously lowering their supply-side mobility constraints.

**Do Knowledge Workers Benefit from Switching Jobs in the Long Run?**

Anna Brattström, *Lund University*

Claudio Fassio, *CIRCLE—University of Lund*

Wolfgang Sofka, *Copenhagen Business School*

Frédéric Delmar, *Lund University*

Interorganizational movement of personnel is important for organizational-level learning and innovation. What has been less recognized is the effect on individual earnings. We leverage a data set covering the entire population of life science professionals in Sweden, 2001 to 2012, including information both on individual-level earnings and firm-level characteristics. Drawing on theories of learning and joint search, we find that inter-firm mobility, in general, does not have a significant effect on the long-term earnings of the mobile employee. Moreover, we show that moving to a small firm even has a negative effect on earnings, whereas moving to an explorative firm has a long term positive effect, although this effect materializes surprisingly late. Taken together, our result indicates that individual-level consequences may deviate from organizational-level outcomes.

**The Effect of Mobility on Individual Performance: Evidence from Football**

Francisco Morales, *University of Colorado, Boulder*

Although employee mobility has received increasing attention in the strategic management literature, we still need to understand when an individual that switches organizations is going to improve her performance. I take advantage of a novel dataset to understand (1) what is the effect of cross-border moves on post-move performance, (2) what is the effect of pre-move embeddedness on post-move performance, and (3) to what extent the performance of top performers changes after a move. I collected player-level data from four of the most important football leagues. Overall, I find that in some cases players are able to sustain, and even improve, their performance after they switch teams.

**✦ Ethics of Sorting Talent on Wall Street**

Pooria Assadi, *Simon Fraser University*

Competition necessitates sorting of talent into varying employment opportunities. While labor economics traditionally focuses on economic gains in explaining talent sorting in the market and the subsequent quality of the match between the employee and the employer, more recent work calls for examining the ethics of sorting talent as well. In this respect, intuition/theory suggests that more ethical talent will be sorted into more ethical employment opportunities—matching of the likes. To test this hypothesis, I exploit the licensing database of U.S. securities industry's self-regulatory authority to build a unique dataset of the careers of 10,000 U.S. stockbrokers, including information on their employers and instances of misconduct. Using two-way fixed effects models, I find support for negative, rather than positive, sorting in the market.



## SESSION 164

**RELATIONSHIPS WITH AND MANAGEMENT OF STAKEHOLDERS**

<b>TRACK M, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Common Ground</b>	<b>Room</b>	Knight

**Facilitator** Flore Bridoux, *University of Amsterdam*

**With a Little Help From My Friends: Stakeholder Management, External Knowledge Sourcing, and Innovation**

Naomi Haefner, *University of St. Gallen*

Maximilian Palmié, *University of St. Gallen*

Knowledge disclosure theory explains why firms benefit from stakeholder management (SM), arguing that managing for stakeholders provides firms with superior access to stakeholders' knowledge, which in turn can allow for superior innovation performance. In light of mounting empirical evidence for substantial inter-firm heterogeneity in the performance implications of managing for stakeholders, we expand knowledge disclosure theory to explain why some firms benefit more from SM than others. To this end, we extend this theory with arguments from the external knowledge sourcing literature. Our extension suggests that firms will benefit more from SM when external knowledge sourcing is a central element of their innovation strategy and when they manage for both external and internal stakeholders. Unique data from approximately 240 European firms broadly supports this extension.

**The Symbolic Management of Stakeholders**

Andrew Schnackenberg, *University of Denver*

Studies commonly refer to symbols as important devices used by firms to navigate stakeholder relationships. Despite this attention, scholarship adopting the moniker of symbolic management has progressed in divergent directions, each focusing on a unique aspect of the meaning and utility of symbols to organizations. As a result, the underlying characteristics of symbols that make them useful to firms pursuing separate stakeholder management objectives are rarely discussed. In this manuscript, we provide a rationale for considering symbols as cultural resources firms use to manage stakeholder relationships. We assert the concept of symbolic capital to distinguish three separate types of influence commonly found in symbols: ideological, instrumental, and institutional. We elaborate tactics firms use to develop and deploy symbolic capital for the purposes of stakeholder management.

**Signaling Organizational Positivity: Examining the Relationship between Positive Psychological Capital Rhetoric and Firm Performance**

Jeff Chandler, *Texas Tech University*

G Tyge Payne, *Texas Tech University*

Lei Xu, *Texas Tech University*

Positive psychological capital has garnered substantial attention throughout the management literature. Studied almost exclusively at the individual-level of analysis, positive psychological capital has been overlooked in the strategic management literature. Extending signaling theory, we elevate positive psychological capital to the organizational-level of analysis to examine the relationship between positive psychological capital rhetoric in shareholder letters and firm performance. Drawing from a sample of 645 firms listed in the Standard & Poor (S&P) 500 between the years of 2001 and 2012, our results indicate that an optimal point (or amount) exists in which organizations should use positive psychological capital rhetoric in organizational narratives. These results lend support for our hypotheses and suggest that the examined relationship is more complex than suggested by traditional perspectives.

**The Stake of Customers and Suppliers in Mergers and Acquisitions**

Helén Anderson, *Linnaeus University*

Peter Dahlin, *Mälardalen University*

Virpi Havila, *Uppsala University*

Johan Holtström, *Linköping University*

Christina Öberg, *Orebro University*

For a firm, customers and suppliers are important stakeholders in their business activities, including such strategic activities as mergers and acquisitions. But how has this been depicted in previous research? In this paper we review articles on mergers and acquisitions to find out in what way customers and suppliers are recognized in the research on mergers and acquisitions. The paper is a review of 1,632 articles. The analysis proposes six categories: customers and suppliers in vertical integration; customers as an aggregated market; customers and suppliers as resources; customers (and suppliers) being affected by changed market conditions; the merger or acquisition following from or leading to power imbalances in relationships to customers/suppliers; and customers and suppliers as actors or reactors.

**A Systems Perspective on Resource Creation, Stakeholder Relationships, and Competitive Advantage**

Jeffrey Harrison, *University of Richmond*

Doug Bosse, *University of Richmond*

Stephen B Tallman, *University of Richmond*

This paper proposes a theory of resource-based advantage that recognizes stakeholders as joint partners in co-production. In spite of its logical simplicity and empirical support, the RBV suffers from some practical limitations. We address some of these through presentation of a complementary perspective of how resources influence competitiveness. Called the resource creation system perspective, it is founded on two major premises: 1) that a firm's internal resources are highly interdependent, and 2) that the quality of those resources is also dependent on a firm's relationships with external stakeholders. Valuable resources are co-created through cooperative processes that link stakeholders. The resource creation system perspective embraces stakeholder network heterogeneity and systems complexity, and provides direction to managers with regard to where they should focus their attention.

**An Ecosystem Perspective on Business Model Pioneering**

Stephan von Delft, *University of Glasgow*

Carsten Gelhard, *University of Twente*

J Ignacio Canales, *University of Glasgow*

Business models re-invigorate a view of firms as members of a value creation ecosystem in which the total value created is the value created for all business model stakeholders. Yet, the implicitly tied notion of value created for all business model stakeholders has received scarce attention from both strategy and stakeholder researchers. Following an ecosystem perspective, we explore how relationships with essential stakeholders, namely customers and suppliers, enable a focal firm to pioneer competitively distinct business models. Using survey-data of chemical firms, structural equation modeling confirms that customer and supplier integration strengthen business model sensing, i.e. a firm's capacity to validate business model options. Business model sensing, in turn, positively impacts business model pioneering and thereby increases strategic advantage for the focal firm.

## SESSION 128

**PARTNERING IN MULTI-STAKEHOLDER CONTEXTS**

<b>TRACK M, TRACK N</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Charlottenburg I

**Chair** Olivier Chatain, *HEC-Paris*

### ★ Public-Private Partnering, Environmental Uncertainty and Hybrid Organizational Design

Ilze Kivleniece, *INSEAD*

Public-private ties represent an increasingly prominent hybrid organizational form, yet, little is known on their design and performance implications. We build on a distinction between tightly versus loosely coupled collaboration forms to demonstrate how exogenous environmental uncertainty impacts the choice of organizational form and collaboration duration. Our results, based on water sector partnerships in developing world, suggest that hybridization in underlying organizational design allows organizational actors (firms) to address differentially market- and institutionally- embedded contingencies. While low constraints in political environment are associated with loosely coupled organizational forms, high market-based volatility is linked to adoption of more tightly coupled arrangements. Overall, we demonstrate the critical impact that broader institutional, not just transactional alignment plays in the formation and duration of boundary spanning organizational forms.

### How Non-For-Profit Actors Can Foster Complementarities in Business Ecosystems

Olivier Chatain, *HEC-Paris*

Elena Plaksenkova, *HEC-Paris*

We develop a formal model to analyze the enabling role of non-for-profit organizations (NFPO) in business ecosystems. We show how an NFPO can help solve market failures among ecosystem participants (e.g., suppliers facing a powerful buyer), whereby unlocking complementarities. We show when a buyer can induce investment by suppliers by financing unconditionally an NFPO. The impact of the NFPO is non-monotonic in the buyer's bargaining power: buyers with more power are more likely to benefit from the presence of an NFPO, while less powerful buyers are not able to sustain the cost of partnership with the NFPO. Furthermore, buyers with particularly high bargaining power benefit more from providing a larger financial transfer to the NFPO and from enlisting a powerful NFPO.

### Bringing Family into Alliance Research: Governance and Mutual Knowledge Creation Differences vs non-Family Firms

Ricarda Bouncken, *University of Bayreuth*

Mathew Hughes, *Durham University*

Robin Pesch, *University of Bayreuth*

Martin Ratzmann, *University of Bayreuth*

Alliance research has remained worryingly silent on how family firms beneficially govern alliances compared to their non-family counterparts. In a study of 939 non-equity alliances in three industries in Germany, we examine whether family and non-family firms benefit from the same or different mechanisms for governing the alliance relationship to achieve mutual knowledge creation, and what effect mutual knowledge creation with alliance partners has on the performance of family and non-family firms. We contribute to theory a conceptualization of alliance governance by family firms to correct for the absence of theoretical development to date; we contribute empirical evidence that family and non-family firms benefit from governance mechanisms to achieve mutual knowledge creation among alliance partners; and evidence the effects of mutual knowledge creation on performance.

### Interorganizational Coordinating for Reliability: An Ethnography of a High-Reliability Network

Joerg Sydow, *Free University of Berlin*

Olivier Berthod, *Free University of Berlin*

Michael Grothe-Hammer, *Free University of Berlin*

Gordon Müller-Seitz, *TU Kaiserslautern*

The capacity of organizations to perform reliably despite the frequent need to change in face of unforeseeable challenges constitutes a puzzling duality for management theory and practice. Although the search for both reliability and change can be found at all levels of organizing, scholars of reliability have devoted little attention to the inter-organizational dimension of this duality. This is puzzling if we consider the importance of interorganizational networks in markets and society and the challenges they represent to reliability and coordination. We unpack this puzzle by means of an ethnographic study of the emergency management of the city of Düsseldorf, Germany. There, around 80 administrations, voluntary organizations and firms organize operations collectively to achieve reliability and flexibility. A practice-based model is proposed and discussed.

## SESSION 208

**EXECUTIVE COMPENSATION**

<b>TRACK O, TRACK X</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Common Ground</b>	<b>Room</b>	King

**Facilitator** Robert Wiseman, *Michigan State University*

### It's All In The Name: Examining First Name Popularity And Executive Compensation

Murad Mithani, *Stevens Institute of Technology*

Ann Mooney Murphy, *Stevens Institute of Technology*

The research on social psychology and anthropology has shown that the popularity of an individual's first name can have a significant effect on their success in life. In this study, we examine if these implications persist among top executives. In particular, we examine whether the popularity of an executive's first name has any bearing on their compensation. Using a dataset of 9,569 executives, we find a U-shaped relationship, with executives receiving higher compensation when their first names were very popular or extremely unique. We find these effects to be significantly stronger for female executives, especially those with a gender-ambiguous name. Our study offers insights into how executive success may be affected not just by how they perform but also by impressions of their personal attributes.

### Overpayment and Applause? The Influence of CEO Compensation on Firm Reputation

Ann-Christine Schulz, *Free University of Berlin*

Miriam Flickinger, *LMU Munich*

This paper investigates the impact of CEO compensation on corporate reputation. Prior research has focused on the relationship between CEO compensation on firm performance. However, we know relatively little about how CEO overpayment may affect firm outcomes such as corporate reputation. Using a sample of S&P 100 firms over the period 1994–2004, we find that the extent of stock option compensation has a negative impact on corporate reputation. This negative relationship is augmented if the CEO changed in the prior year and if the firm has a female CEO, while the relationship is lessened by CEO age. These findings elucidate how a controversial governance practice such as excess CEO compensation impacts important firm outcomes such as corporate reputation.



## Pay Disparity, External Pay Alternatives And Turnover Of The Second Best-paid Executive

Stephanie Mankel, *EBS University*

Ansgar Richter, *University of Liverpool*

Klaus Uhlenbruck, *University of Montana*

We contribute to the intersection of top executive turnover and compensation research by investigating the implications of pay structure for turnover. We extend tournament theory by arguing that executives will take into account both internal and external reference points in deciding whether to leave a firm or stay. We develop and test hypotheses with regard to the effects of pay disparity among a firm's two best-paid executives and external pay alternatives on the exit of the second best-paid executive, using competing-risks survival regression. For a sample of S&P 500 firms in the 14-year period between 1993 and 2006, we find that comparisons with higher paid executives and external pay alternatives matter for individual turnover decisions. Promotion probability is a strong moderator of these direct effects.

## CEO Incentive Pay, Corporate Culture And Illegal Activity In Banks: Are We Incentivizing Wrongdoing?

Stephen Smulowitz, *IESE Business School*

Juan Almandoz, *IESE Business School*

The recent scandal at Volkswagen shows that wrongdoing by members of an organization can have not only deleterious effects on society, but also disastrous consequences for firms. Building on extant executive compensation literature and qualitative interviews with banking industry members, we argue that, due to their differing effects on corporate culture, CEO option and restricted stock pay can have differing effects on incidences of wrongdoing in firms. We predict that low levels of CEO option pay make wrongdoing less likely and high levels make wrongdoing more likely; while low levels of CEO restricted stock pay make wrongdoing more likely, and high levels make wrongdoing less likely. Using a sample of US banks from 2009–2014, we provide robust empirical support for our hypotheses.

## Analyst Coverage and Corporate R&D: The Moderating Role of Severance Pay

Fenglong Xiao, *National University of Singapore*

This study examines how the relationship between financial analyst coverage and corporate R&D investment varies with the size of CEO severance pay. Larger analyst coverage simultaneously imposes stronger short-termism pressures and brings more accurate performance forecasts, and therefore simultaneously increases and decreases CEOs' incentive to behave myopically. The size of severance pay serves as the proxy of CEOs' incentive structure and revises their relative susceptibility to the opposite effects of analyst coverage. The empirical results support the predictions and suggest that firms led by CEOs without severance pay reduces R&D investment greatly in the following year when they are evaluated by a large number of financial analysts, while those firms led by CEOs with higher severance pay are more capable in resisting such short-termism pressures.

## A Fish in a Pond: The Dynamics between the CEO and Firm Status

Eunyoung Park, *Seoul National University*

Theresa Cho, *Seoul National University*

In this paper, we explore the linkage between CEO status and firm status and develop several hypotheses on its impact on CEO power, compensation, and dismissal likelihood. Drawing from relative standing theory and equity theory, we develop the notion of CEO status disparity, or the relative dominance of CEO status over firm status. Specifically, we delineate how relative standing of CEO with respect to the firm affects his perceived level of inequity, and subsequently motivate him to compensate such incongruence in status. We test our hypotheses on a sample of 2,526 CEOs. The results show that both absolute and relative value of CEO status have positive impact on CEO power and compensation.

## SESSION 290

## METHODOLOGICAL ADVANCES IN STRATEGIC LEADERSHIP & GOVERNANCE

### TRACK O, TRACK R

Date Tuesday, Sep 20

Time 17:30 – 18:45

### Paper

Room Kopenick I/II

### Chair

Hansin Bilgili, *University of Arkansas*

## A 'What If' Model Of Misconduct: An Application Of Regression Standardization And Decomposition

Karen Schnatterly, *University of Missouri*

Habib Islam, *University of Missouri*

Margaret Peteraf, *Dartmouth College*

Wrongdoing in organizations is extensive and pervasive. It is also very costly. We provide a deeper understanding of the antecedents of wrongdoing by introducing to the field of strategic management a regression standardization and decomposition technique that, while highly generalizable and well known in other domains, has yet to find applicability in the field of strategic management. We explain how the technique works and what it can accomplish and provide a technical tutorial. We then develop hypotheses related to organizational misconduct. We then apply the technique to testing these hypotheses, and illustrate the benefits of regression standardization and decomposition technique.

## Under Pressure: An Investigation Into The Dimensionality Of Executive Job Demands

Abbie Oliver, *University of Georgia*

Kevin McSweeney, *Texas A&M University*

Daniel Gamache, *University of Georgia*

Cynthia E Devers, *Texas A&M University*

Felice Klein, *Michigan State University*

Upper echelon scholars have long argued that CEOs' job demands exhibit important influences on firm level strategic choice. Nevertheless, although CEO (executive) job demands were initially conceptualized as multidimensional, most research examining their influence has focused on a single dimension or a single item measure. In response, we attempt to advance this line of research by developing and testing a multidimensional theory of CEO job demands. Specifically, we argue that CEO job demands consist of four distinct latent constructs: task challenges, stakeholder challenges, performance challenges, and aspiration challenges, which can exhibit differential effects on CEO strategic choices. We further theorize, validate, and test how each can influence a critical organizational outcome: strategic change. Our results offer strong support for the multidimensional view of job demands.

## Random Walks and the CEO Effect: Misattribution of Performance Trends to the CEO

Pardeep Maheshwaree, *Aalto University*

Mikko Rönkkö, *Aalto University*

Jens Schmidt, *Aalto University*

The precise magnitude of the CEO effect in variance decomposition studies continues to be debated. Here we reiterate recent critiques that have argued that not accounting for random influences may greatly inflate the measured CEO effect. We show that when autocorrelation in firm performance is modeled as a random walk, the measured CEO effect is reduced by approximately 50%. We discuss implications for the accurate measurement of the CEO effect as well as for improving our understanding of the factors by which CEOs may affect firm performance.

## Exploring the Relationship between Peer Network Structure and CEO Compensation

Hansin Bilgili, *University of Arkansas*  
 Tsvetomira Bilgili, *University of Memphis*  
 Jason Ridge, *University of Arkansas*  
 Alan Ellstrand, *University of Arkansas*  
 Jonathan Johnson, *University of Arkansas*

Peer groups are influential in determining CEO compensation. Scholarly work and anecdotal evidence suggest that peer group comparisons may explain how boards of directors justify generous CEO compensation packages to organizational stakeholders. In this study, we extend research on CEO compensation by focusing on the structure of inter-firm peer citation networks. Specifically, we explore the reciprocal relationship of a firm's centrality and the structural holes it commands in a peer group network with CEO compensation. Using social network theory and methodology, we seek answers to two research questions: a) are there disadvantages to increased firm visibility in a peer group network? and b) if so, do companies take actions to minimize the disadvantages of being visible in a peer group network?

### SESSION 219

## ASPIRATIONS

<b>TRACK P</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Charlottenburg II
<b>Chair</b>	Jerayr Haleblan, <i>University of California, Riverside</i>	

### Antecedents of Organizational Aspirations: Attention to Competitive Turbulence and Strategic Aggressiveness

George Shinkle, *University of New South Wales*  
 Feifei Yang, *University of New South Wales*

We investigate forward-looking as well as backward-looking logics for the antecedents of organizational aspirations. Additionally, we build causal mechanism logic using the Attention-Based View to explain why competitive turbulence and strategic aggressiveness influence the salience of six major antecedents proposed in the literature. In a second, exploratory study, we examine how the intensity of use of these antecedents is associated with performance. Our investigation is based on a multi-country study of 533 top executives. Our results suggest updates to the behavioral theory of aspirations by demonstrating the prevalent use of forward-looking antecedents and the substantial influence of both competitive turbulence and strategic aggressiveness in aspiration determination. Our contribution is bolstered by providing causal logic for a negative interaction of competitive turbulence and strategic aggressiveness.

### Aspirations and Expectations: Two Sides of Performance Feedback

Johannes Luger, *University of St. Gallen*  
 Jan Mammen, *University of Erlangen-Nuremberg*  
 Jerayr Haleblan, *University of California, Riverside*

We aim to unbundle the impact of two forms of performance feedback that determine whether a performance shortfall is positively or negatively associated towards managerial risk taking: a shortfall from aspirations (i.e., firms' historical or social performance) and a shortfall from expectations (i.e., security analysts' earnings expectations). Falling short of aspirations creates the motivation to engage in risk taking, whereas falling short of expectations diminishes managerial power and discretion to engage in risk taking. We submit that when disentangling these two perspectives on performance feedback, we obtain an improved understanding on managerial risk taking when compared to either mechanism in isolation. We find support for our predictions when studying S&P 1500 firms over a period of 17 years (1994 – 2010).



## Crossed Signals: How Aspiration-Relative Profits and Quality Influence Exploration in the Film Industry

Owen Parker, *Oklahoma State University*  
 Rachel Mui, *Oklahoma State University*

Managers face numerous and conflicting signals about their firm's performance, and must weigh and reconcile these signals in their decisions. Extant literature provides scant evidence about the implications of this reconciliation process. The behavioral theory of the firm tells us that the better a firm performs relative to its aspirations, the more inertial it becomes. Recent BTOF research explores different signals of performance, but usually along the same dimension: profitability. What happens when a firm's performance on two distinct dimensions—e.g., profitability and product quality—conflicts? We address this in the context of the U.S. film industry, where both profits and quality are critical decision inputs, and examine the interaction of profitability, quality, and the instability of quality on product exploration decisions.

### SESSION 230

## ORGANIZATIONAL CHANGE BEHAVIORS

<b>TRACK P</b>	<b>Date</b>	Tuesday, Sep 20
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Schinkel III
<b>Chair</b>	Vibha Gaba, <i>INSEAD</i>	

### How Do Film Studio Executives Change Their Strategies In Response To Multi-indicator Performance Feedback?

Gerardus J. M. Lucas, *Simon Fraser University*  
 Daniela Blettner, *Simon Fraser University*  
 Eric Gedajlovic, *University of Connecticut*

Executives change strategies when their organization's performance compares unfavorably against aspirations. Some studies have extended this model by examining multiple performance indicators in a single study. Other studies have considered multiple strategic changes. To the best of our knowledge, no studies combine multiple performance indicators with multiple strategic changes. This is surprising since most executives face this exact situation when making strategic decisions. Based on a sample of the North-American feature film industry, we show that performance feedback not only predicts whether strategic change occurs but also what strategic change is more likely to occur depending on which of the salient performance indicators yielded unsatisfactory feedback. We contribute to the performance feedback literature by better capturing the empirical complexities of dealing with performance feedback.

### Warring Tribes: Intra-organizational Conflict And Organizational Change At Motorola

John Joseph, *University of California, Irvine*  
 Vibha Gaba, *INSEAD*

This study examines the antecedents of internal organizational change. Drawing on the behavioral theory of the firm, we propose that the divisional expansion of a firm is driven by two sources of potential (latent) intra-organizational conflict: the affective (positive or negative) states of middle managers' as reflected in the internal communications of the firm and the motivational conditions including interdependencies among units; desire for autonomy; and competition over scarce resources. Furthermore, we propose that these sources of conflict are amplified by the presence of technological convergence in a subunit's environment but attenuated by the internal routines of divisionalization. Our study highlights the behavioral implications of conflict in the context of internal change while integrating organizational structure into the behavioral foundations of the Carnegie tradition.

## Routine Reconfiguration Following Environmental Change: Large-sample Micro Evidence in e-Sports

Julien Clement, *INSEAD*

The adaptation of routines when an organization's environment changes has been a major topic of the strategy literature, yet studying this topic empirically has implied tradeoffs between detail and sample size. Through repeated real-time observations of competitive video-game teams in a 2-year longitudinal dataset, I observe routines as second-by-second sequences of actions among team members, and analyze the evolution of teams' routines over time. The study takes advantage of exogenous changes to the game by its manufacturer in order to study the reconfiguration of routines following environmental changes. Results suggest that routine reconfiguration is affected by the search for valuable routines and the search for correct interdependence patterns between agents, and that an organization's existing mechanisms of coordination are an important contingency factor.

## Organizational Search and Change in the Face of Competition: Evidence from the English NHS

Mujaheed Shaikh, *Frankfurt School of Finance and Management*

Nils Stieglitz, *Frankfurt School of Finance and Management*

Marisa Miraldo, *Imperial College Business School*

The present proposal offers an empirical examination of how stronger competitive pressures affect an organization's willingness to engage in major organizational changes. Using data from the English National Health Service, we argue that higher competitive pressures have a distinct effect on problemistic and on slack search, the major determinants of organizational change identified in prior literature. We argue that stronger competition reduces the likelihood of engaging in major organizational change. Further, in the presence of high competition, organizations that are above the aspiration level are less likely to engage in change. We also argue, and support empirically, that while unabsorbed slack by itself decreases the probability of change, in the presence of competition however, it increases the likelihood of engaging in change.

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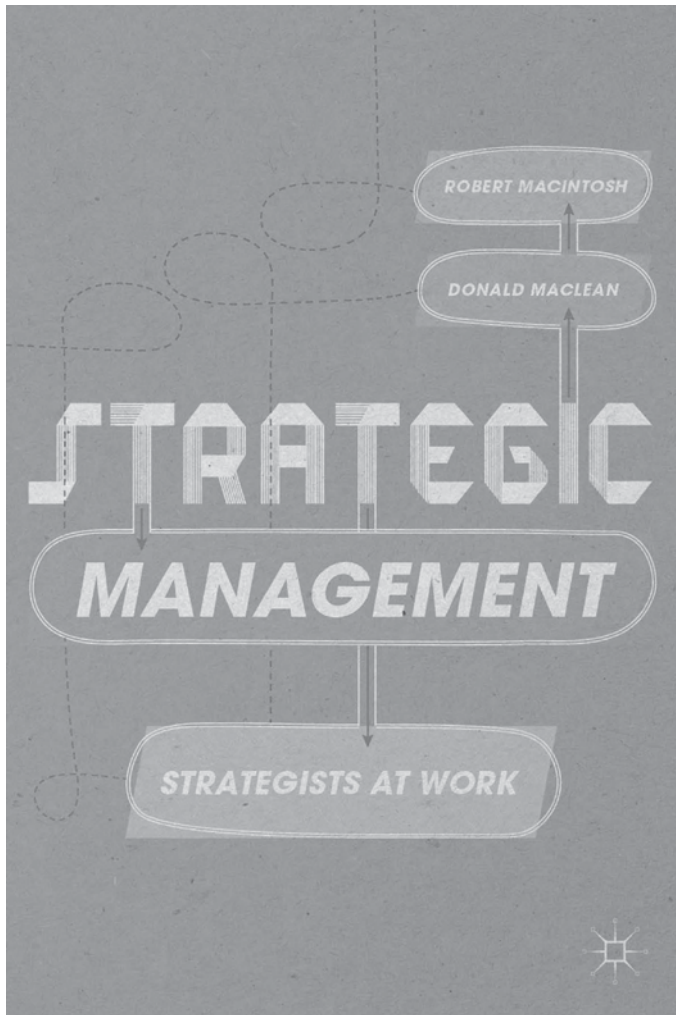
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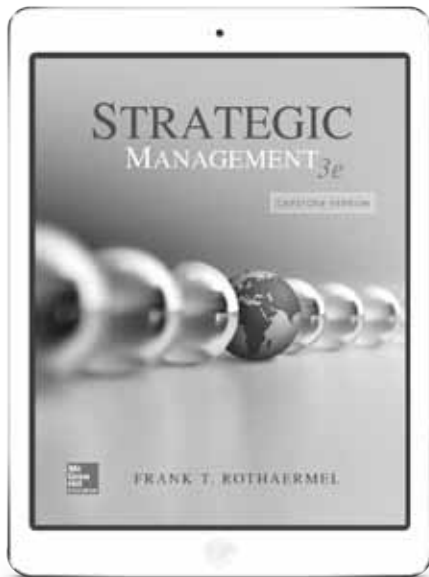
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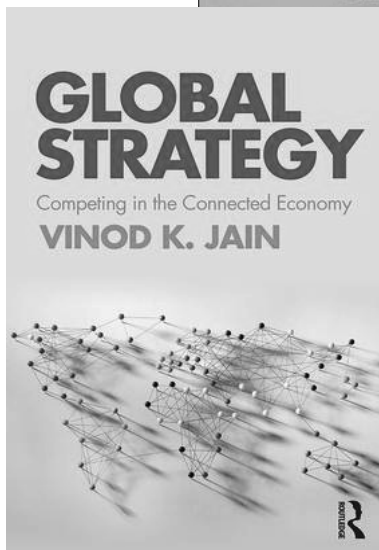
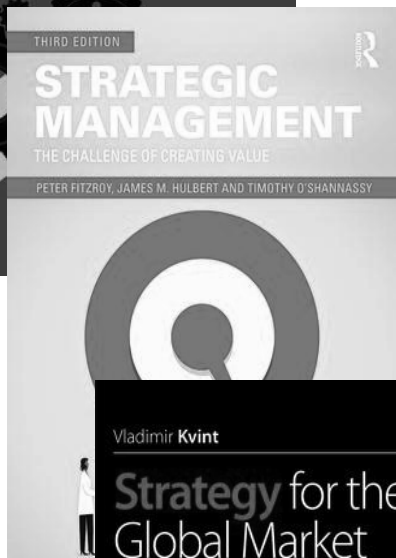
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