



CONFERENCE PROGRAM



In partnership with



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 Strategic Management Society

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THE
CONVERSATION**
#SMSBanff2017

 @Strategic_Mgmt

 Group: Strategic Management Society

 Channel: Strategic Management Society

Cover photo: Howse River Viewpoint, Banff National Park. Photo by Jonathan Huyer, www.huyerperspectives.com





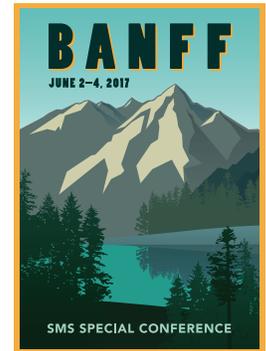
David Teece
University of California–Berkeley
Program Co-Chair



Olga Petricevic
University of Calgary
Program Co-Chair



Alain Verbeke
University of Calgary
Program Co-Chair



Dear Colleagues:

On behalf of the Organizing Committee, we are delighted to welcome you to Banff National Park, in the province of Alberta, Canada for the Strategic Management Society's Special Conference to take place from June 2-4, 2017. The conference will be held at the Rimrock Resort Hotel in Banff, which offers exceptional views of the Canadian Rockies.

Many say that the Canadian Rockies are awe-inspiring and that Alberta is the artery of the entrepreneurial fortitude in Canada. In this spirit, we have designed an intellectually stimulating program that we hope will inspire interdisciplinary dialogue and the exchange of ideas on how to transform entrepreneurial thinking into dynamic capabilities. We hope this conference will be a catalyst for enriching research in both the entrepreneurship and strategic management fields. We want to encourage thoughtful conversations, lively discussions, and full engagement of all participants to achieve this goal of enriched research.

We will commence the conference activities with a Meet the Editors panel on June 2. Editors representing the SMS journals (Strategic Management Journal, Strategic Entrepreneurship Journal and Global Strategy Journal), as well as other leading scholarly outlets (Academy of Management Journal, Journal of Business Venturing, Journal of International Business Studies and Organization Science) will engage in a dialogue on how to publish research in top journals. Following the Meet the Editors panel is the Welcome Reception (starting at 18:00) which will provide ample opportunities to reconnect with old friends and colleagues and to forge new relationships.

We have 27 parallel sessions, including Paper Sessions, Common Ground Sessions, and a Panel Session, along the four conference tracks. These sessions will feature over 250 authors from every corner of the world. We owe a debt of gratitude to the Conference Track Chairs (Cathy Maritan, Sheryl Winston Smith, Mirko Benischke, and Beverly Tyler) for working tirelessly to develop an exciting, thought-provoking, and energizing program within and across the conference tracks.

We have also arranged for several leading scholars to participate in three Plenary Sessions, each of these addressing the conference theme, "Transforming Entrepreneurial Thinking into Dynamic Capabilities."

Plenary Session 1: The Origins, Historical Trajectory and Contemporary Applications of the Dynamic Capabilities Approach will take place on June 3 and will feature David Teece and Birger Wernerfelt.

Plenary Session 2: Positioning Dynamic Capabilities Thinking in a World of Mainstream Organizational Economics and Strategic Management Theories will also take place on June 3. This session will be Co-Chaired by Sharon Alvarez and Russ Coff and will feature Jay Barney, John Roberts, and David Teece.

Plenary Session 3: Making Dynamic Capabilities Actionable in Entrepreneurship and Strategic Management Research will be held on June 4. Alain Verbeke will chair this session, which will feature, Mary Crossan, Bob Hoskisson, Shaker Zahra, and Maurizio Zollo.

We are also hosting two social events. The Gala Dinner on June 3 and the Western-style BBQ on June 4, will provide additional networking opportunities, in a Western Canadian atmosphere.

We look forward to a fun, dynamic, stimulating and memorable SMS Special Conference Banff!

Conference Co-Chairs

David Teece
Olga Petricevic
Alain Verbeke



Dear Conference Participant:

We bid you a warm welcome to our Special Conference in Banff, Canada. We are very happy to have you with us!

The conference will focus on transforming and emboldening research approaches in both entrepreneurship and strategy, with a special emphasis on enhancing interdisciplinary dialogue. The conference builds on Calgary's 'can do' attitude and the long history of pioneers faced with the powerful forces of nature, who built successful businesses in sectors ranging from the cattle industry to energy and high technology.

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

This conference, held at the Rimrock Resort Hotel, also provides us with the opportunity to explore the beautiful mountain valley in Banff National Park. Located in the heart of the Canadian Rockies, Banff National Park, is famous for its surreally colored lakes and majestic mountains. Canada's first national park, and the world's third, it has a rich heritage as one of the world's most awe-inspiring mountain destinations. We expect that the extraordinary landscape of Banff National Park will spark creativity and enhance genuine intellectual exchange, thereby benefiting the entire field of strategic management research and practice.

We would like to take this opportunity to thank those instrumental in organizing this conference. This event would not be a reality without the hard work of Program Chairs David Teece, Olga Petricevic, and Alain Verbeke.

We hope that you have an enlightening and gratifying experience at our conference. Please enjoy your stay in breathtaking Banff!

Russell Coff
President

Nikolaus Pelka
Executive Director



A Professional Society for the Advancement of Strategic Management

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

CONFERENCES

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

RESEARCH FUNDING

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

SCHOLAR AWARDS AND HONORS

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

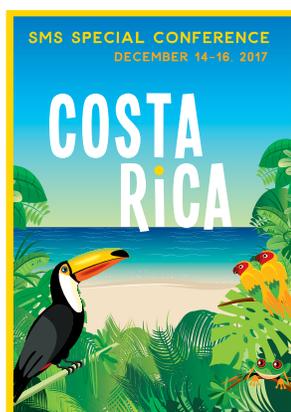
PUBLICATIONS

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



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

UPCOMING CONFERENCES



CONFERENCE POLICIES

Recommended Dress

Business casual attire is recommended for all conference sessions.

Evening Events

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

Name Badges

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

No Smoking Policy

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

ANNUAL CONFERENCES

- 2016 BERLIN
- 2015 DENVER
- 2014 MADRID
- 2013 ATLANTA
- 2012 PRAGUE
- 2011 MIAMI
- 2010 ROME
- 2009 WASHINGTON DC
- 2008 COLOGNE
- 2007 SAN DIEGO
- 2006 VIENNA
- 2005 ORLANDO
- 2004 PUERTO RICO
- 2003 BALTIMORE
- 2002 PARIS
- 2001 SAN FRANCISCO
- 2000 VANCOUVER
- 1999 BERLIN
- 1998 ORLANDO
- 1997 BARCELONA
- 1996 PHOENIX
- 1995 MEXICO CITY
- 1994 PARIS
- 1993 CHICAGO
- 1992 LONDON
- 1991 TORONTO
- 1990 STOCKHOLM
- 1989 SAN FRANCISCO
- 1988 AMSTERDAM
- 1987 BOSTON
- 1986 SINGAPORE
- 1985 BARCELONA
- 1984 PHILADELPHIA
- 1983 PARIS
- 1982 MONTREAL
- 1981 LONDON

RECENT SPECIAL CONFERENCES

- 2017 MILAN, ITALY
Strategic Human Capital, Management Practices and Performance
- 2016 HONG KONG
Contextualizing Strategic Management in Asia: Institutions, Innovation and Internationalization
- 2016 ROME, ITALY
Strategy Challenges in the 21st Century: Innovation, Entrepreneurship and Competition
- 2015 ST. GALLEN, SWITZERLAND
Rethinking Corporate Headquarters: Innovative Approaches for Managing the Multi-Divisional Firm
- 2015 SANTIAGO, CHILE
From Local Voids to Local Goods: Can Institutions Promote Competitive Advantage?
- 2014 SYDNEY, AUSTRALIA
Strategic Management in the Asian Century: Dealing with Dynamism, Diversity and Development
- 2014 COPENHAGEN, DENMARK
Micro-Foundations for Strategic Management Research: Embracing Individuals
- 2014 TEL AVIV, ISRAEL
Startup and Restart Strategies
- 2013 MOHALI, INDIA
Strategic Leadership: An Emerging Market Perspective
- 2013 GLASGOW, SCOTLAND
Strategy in Complex Settings
- 2013 LAKE GENEVA, SWITZERLAND
Strategizing Practices from the Outliers: Enabling "Big Bang" Innovations
- 2012 GUANGZHOU, CHINA
Competing and Cooperating in and for China
- 2012 SINGAPORE
Globalisation Of Innovation Strategies: Novel Moves for a Global Game
- 2011 SAN DIEGO, USA
CK Prahalad: Reaching Over Boundaries and Expanding Possibilities
- 2011 RIO DE JANEIRO, BRAZIL
Latin America's Burgeoning Strategic Role in Global Development
- 2010 LAPLAND, FINLAND
Intersections of Strategy Processes and Strategy Practices
- 2008 HYDERABAD, INDIA
Emerging India: Strategic Innovation in a Flat World
- 2007 CATANIA, ITALY
New Frontiers in Entrepreneurship: Strategy, Governance and Evolution



2017 SMS SPECIAL CONFERENCE BANFF REVIEW COMMITTEE

The individuals listed below worked with the Conference Track Chairs Mirko Benischke, Catherine Maritan, Beverly Tyler and Sheryl Winston Smith, to review proposals for the conference. We appreciate and gratefully recognize the amount of time and effort spent making this a successful event.

Sharon Alvarez
University of Pittsburgh

Elisa Alvarez-Garrido
University of South Carolina

Kristina Vaarst Andersen
Copenhagen Business School

Craig Armstrong
University of Alabama

Felix Arndt
University of Pennsylvania

Pamela Barr
Georgia State University

Janet Bercovitz
University of Illinois at Urbana-Champaign

Alexander Berman
Temple University

Emanuele Bettinazzi
Emlyon

Nachiket Bhawe
North Carolina State University

Lyda Bigelow
University of Utah

Olga Bruyaka
West Virginia University

Benjamin Campbell
Ohio State University

Turanay Caner
St. John's University

Albert Cannella Jr
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Jon Carr
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Ari Jantunen
Lappeenranta University of Technology

Wang Jin
MIT

Liena Kano
University of Calgary

Emre Karali
Erasmus University Rotterdam

Mohammad Keyhani
University of Calgary

Jung Kwan Kim
Temple University

Peter Klein
Baylor University

Eun-Jeong Ko
Syracuse University

Roger Koppl
Syracuse University

Yasemin Kor
University of Cambridge

Seok Woo Kwon
University of Calgary

Michael Leiblein
Ohio State University

Mengge Li
University of Texas-El Paso

Grigorij Ljubownikov
University of Auckland

Fabrice Lumineau
Purdue University

Randi Lunnan
BI Norwegian Business School

Tammy Madsen
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Mark Mallon
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Kyle J. Mayer
University of Southern California

Alexander McKelvie
Syracuse University

Thomas Mellewigt
Free University of Berlin

Won Kyung Min
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University of Houston

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Charlotte Ren
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Becky Reuber
University of Toronto

Christopher Rider
Georgetown University

Michael Roach
Cornell University

Asmund Rygh
BI Norwegian Business School

Henry Sauermann
Georgia Institute of Technology

Minet Schindehutte
Syracuse University

Karen Schnatterly
University of Missouri

William Schulze
University of Utah

Zeki Simsek
Clemson University

David Sirmon
University of Washington

Petrus Maria Snoeren
Tilburg University

Dara Szyliowicz
University of the Pacific

Jennifer Tae
Temple University

Siri Terjesen
Indiana University

David Townsend
Virginia Tech

Roxana Turturea
Erasmus University Rotterdam

Anu Wadhwa
Imperial College London

Gordon Walker
Southern Methodist University

Trenton Williams
Syracuse University

Andy Wu
Harvard University

Yang Ye
Syracuse University

Peter Zamborsky
University of Auckland

Brooklynn Zhu
University of Toronto

Miriam Zschoche
WHU

CONFERENCE AT A GLANCE

FRIDAY, JUNE 2, 2017

- 07:00 — 08:00 Breakfast for Doctoral Workshop Participants
- 08:00 — 15:00 Doctoral Workshop
- 17:00 — 18:00 Meet the Editors Panel
- 18:00 — 20:00 Welcome Reception

SATURDAY, JUNE 3, 2017

- 07:00 — 08:00 Breakfast for all Conference Participants
- 08:15 — 09:30 Parallel Paper / Common Ground Sessions
- 09:30 — 10:00 Coffee Break
- 10:00 — 11:15 Parallel Paper / Common Ground Sessions
- 11:30 — 12:45 Opening Remarks and Plenary Session
- 12:45 — 13:45 Lunch
- 14:00 — 15:15 Parallel Paper / Common Ground Sessions
- 15:15 — 15:45 Coffee Break
- 15:45 — 17:00 Plenary Session
- 18:00 — 21:00 Gala Dinner

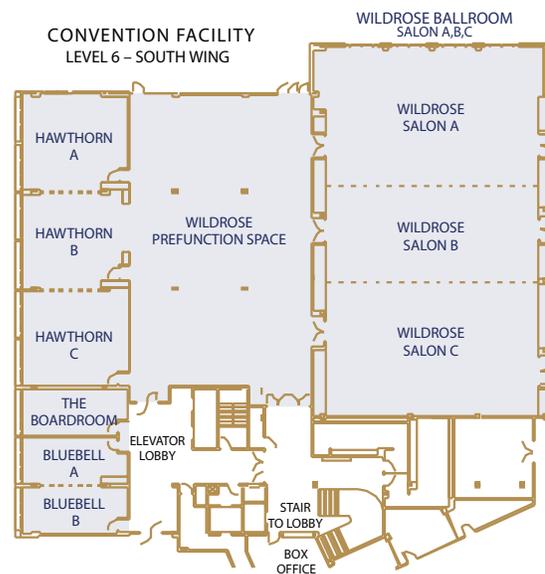
SUNDAY, JUNE 4, 2017

- 07:00 — 08:00 Breakfast for all Conference Participants
- 08:15 — 09:30 Parallel Paper / Common Ground Sessions
- 09:30 — 10:00 Coffee Break
- 10:00 — 11:15 Parallel Paper / Common Ground Sessions
- 11:30 — 13:00 Plenary Session
- 13:00 — 14:00 Lunch
- 14:15 — 15:30 Parallel Paper / Common Ground Sessions
- 15:30 — 16:00 Coffee Break
- 16:00 — 17:15 Parallel Paper / Common Ground Sessions
- 17:30 — 19:30 Closing Reception and BBQ

ONSITE DETAILS

All of the conference sessions will be held on Level 6—South Wing.

Complimentary WiFi will be available in guest rooms and function space at the Rimrock Resort Hotel, under the network Rimrock Free.



EVENING EVENTS IN BANFF

FRIDAY, JUNE 2 WELCOME RECEPTION

Please join us for the welcome reception with drinks and hors d'oeuvre to kick off the conference! We will require all attendees to be wearing name badges, so please first visit the registration desk to pick up your name badge and registration packet.

SATURDAY, JUNE 3 GALA DINNER

We invite attendees to join us for a gala dinner. Registered guests will enjoy a Canadian-themed dinner which will feature local dishes and wines.

SUNDAY, JUNE 4 CLOSING RECEPTION

On Sunday evening, we invite you to join us for a closing reception, featuring a Canadian BBQ, following the last parallel session.

ALL EVENING EVENTS WILL BE HELD AT THE RIMROCK RESORT HOTEL
 Banff National Park
 300 Mountain Ave
 Banff, AB T1L 1J2, Canada



SESSION 488

MEET THE EDITORS

TRACK PLE	Date	Friday, June 2
	Time	17:00 – 18:00
Plenary Panel	Room	Bluebell

Session Leader

Torben Pedersen, *Bocconi University*

Panelists

Rajshree Agarwal, *University of Maryland*

Pamela Barr, *Georgia State University*

Nicole Coviello, *Wilfrid Laurier University*

Becky Reuber, *University of Toronto*

Zeki Simsek, *Clemson University*

The panel will feature a representative editor for each of the SMS journals, SMJ, SEJ, GSJ, as well as other international journals such as JIBS, JBV, and AMJ and OrgSci. The panel will discuss the specific goals and objectives of each of the journals. They will each express their views on what makes a great scholarly contribution in general, and what makes a great scholarly contribution in the literatures on dynamic capabilities and entrepreneurial thinking in particular. They will also delineate the main qualities of papers that get accepted in the journals they represent. They will also take questions directly from the audience.



RAJSHREE AGARWAL is a Chaired Professor in Strategy and Entrepreneurship at the University of Maryland. Her research interests focus on the implications of entrepreneurship and innovation for industry and firm evolution. Rajshree Agarwal's recent projects examine knowledge transfer through employee entrepreneurship/mobility, experience-based advantages in new product markets, and the influence of dynamic knowledge-based capabilities

on firm performance. She has published articles in journals such as *Academy of Management Journal*, *American Economic Review*, *Strategic Management Journal* and *Review of Economics and Statistics*. Her paper on employee entrepreneurship received the Best Paper Award for 2004 from the *Academy of Management Journal*, and her work on post exit knowledge diffusion received the Stephen Shrader Award at the 2005 *Academy of Management Meetings*. She has received research grants from the Kauffman Foundation, the Mellon Foundation, the Marketing Science Institute and the US Department of Agriculture.



PAMELA BARR is Professor of Strategic Management and Department Chair at the J. Mack Robinson College of Business, Georgia State University in Atlanta, Georgia, USA. Her research interests center on strategy formulation and strategic adaptation and change and in particular the role that managerial and organizational cognition play in those processes. She has published her work in several leading journals including *Strategic Management Journal*, *Organization*

Science, *Academy of Management Journal*, *Journal of Management*, and *Journal of Management Studies*. She is a long-time member of SMS and has served many roles in the Society. These roles include serving as Representative-at-large on the SMS board since 2012, and previously serving as a member of the Executive committee of the Knowledge and Innovation interest group, as a Representative-at-Large of the Strategy Process interest group and as Co-chair of the 2013 Annual Meeting in Atlanta. She is currently serving as an Associate Editor of *Strategic Management Journal*.



NICOLE COVIELLO is the Research Director of the Lazaridis Institute for the Management of Technology Enterprises. She is also the inaugural Lazaridis Research Professor, and Professor of Marketing. Nicole has held academic appointments in New Zealand, Canada and Finland. Her research is in the context of technology firms where she studies topics at the intersection of marketing strategy, international business and entrepreneurship. She

is an Associate Editor at the *Journal of Business Venturing*. In 2014, Nicole was ranked as the number two scholar worldwide in *International Marketing*. She was also ranked eighteenth in the world for *International Business* and was the only female in the 'top 20' list for that area. She is engaged with research programmes in Canada, Spain, France, Finland and Germany, and supervises a great team of five PhD students at the Lazaridis School. She also works alongside tech firms in Kitchener-Waterloo and our accelerator, Communitech.



TORBEN PEDERSEN is Professor of International Business at the Bocconi University, Milan, Italy. His research interests is in the interface between strategy and international management and he has published over 100 articles and books concerning the managerial and strategic aspects of globalization. His research has appeared in prominent journals such as *Academy of Management Journal*, *Strategic Management Journal*, *Journal of Management*,

Journal of International Business Studies, *Journal of Management Studies* and *Organization Science*. In addition he has written more than 25 teaching cases published at case clearing houses or in teaching-oriented books. He was Vice-President for AIB (2008-2010) and Program chair in 2009 for the AIB-conference in San Diego. He was also Vice Chairman of EIBA from 2007-2010. He is an elected Fellow of the Academy of International Business. He is currently co-editor of *Global Strategy Journal* and *Advances in International Management* as well as serves on numerous editorial boards.



BECKY REUBER is Professor of Strategic Management at Rotman School of Management, University of Toronto. Her research focuses on the growth strategies of entrepreneurial organizations, including internationalization, opportunity creation and the use of social media. She is Area Editor for *International Entrepreneurship* at the *Journal of International Business Studies* (JIBS) and is a member of the

editorial board of *Academy of Management Perspectives*, *Journal of Business Venturing* and *Entrepreneurship Theory and Practice*. She served as Associate Editor of *Family Business Review* from 2008-2014 and is currently on the journal's Advisory Board.



ZEKI SIMSEK is a Professor of Management and Gressette Chair of Business Strategy and Planning at College of Business, Clemson University. Prior to this appointment he held the Eversource Scholar of Technological Entrepreneurship and Ackerman Scholar at the University of Connecticut. Zeki's research focuses on strategic leadership, innovation, and entrepreneurship. His papers have appeared in the *Academy of Management*

Journal, *Strategic Management Journal*, *Organization Science*, *Journal of Applied Psychology*, *Journal of Management*, *Journal of Management Studies*, and others. He is currently Associate Editor of the *Academy of Management Journal*, and on the editorial boards of *Strategic management Journal* and *Academy of Management Discoveries*.

18:00 – 20:00

WELCOME RECEPTION (WILDROSE PREFUNCTION)

07:00 – 08:00

BREAKFAST FOR ALL CONFERENCE PARTICIPANTS (WILDROSE SALON A)

SESSION 455

NOVEL APPROACHES TO UNDERSTANDING ENTREPRENEURIAL PROBLEMS

TRACK A/D	Date	Saturday, June 3
	Time	08:15 – 09:30
Paper	Room	Hawthorn B

Session Chair: Charlene Nicholls-Nixon, *Ryerson University*

‘Design Thinking’ as a Bridge between Conceptualizations of Dynamic Capabilities and Opportunity Creation

Charlene Nicholls-Nixon, *Ryerson University*

Over the past decade, the popular press has witnessed an explosion of interest in “Design Thinking” (DT) as a methodology for advancing the pursuit of innovation and new business opportunities in both established enterprises and start-ups. Yet the academic literature in Strategy and Entrepreneurship is silent about DT processes, techniques, and outcomes. This is surprising given that the relationship between firm performance and dynamic capabilities (such as innovation) is a core research area in Strategy, while opportunity recognition is a foundational topic in Entrepreneurship. This paper develops a framework that situates DT in the conceptualization of (a) the micro-foundations of dynamic capabilities, and (b) the process of opportunity creation. It offers a potential integration of these literatures and suggests avenues for conceptual and empirical research.

How Industry Recipes Influence the Application of Dynamic Managerial Capabilities Within the Hollywood Film Industry

James Bezjian, *University of Edinburgh*
 Robert Bradley Mackay, *University of St. Andrews*
 Jo Danbolt, *University of Edinburgh*

Dynamic managerial capabilities are frequently viewed as a source of influence among decision-making managers within environments of volatility. Recognizing which influencers affect the managerial decision-making process is necessary to adapt and evolve a firm’s decision-making logic. We present a detailed study of the Hollywood Film Industry Recipe within the green-lighting process of films among incumbent and challenger studios. We identify an industry recipe, firm adopted industry and adaptations, and dynamic managerial capabilities utilized through the influence of the process. In addition, we illustrate that industry recipes influence dynamic managerial capabilities adopted by firms. In addition, dynamic managerial capabilities is an output of industry recipes adopted amongst firms, and that refinement of those capabilities is a circular renewal process between managerial judgment and firm/managerial dominant logics.

New Venture Team Dynamics: Linking Inputs to Outcomes Over Time

Frederic Delmar, *Lund University*
 Rebecka Persson, *Lund University*

Our purpose is to generate scientific knowledge about how team dynamics foster value creating innovation in new firms. We suggest a time sensitive framework of teams where we focus on their social and psychological processes to explain how new ventures develop from simple to complex organizational forms. The majority of all innovative new ventures are started by teams but little research exists in new venture about how team members interact with each other over time to produce innovative technologies, products, and services. Policy makers are investing heavily in knowledge creating companies to achieve economic and social objectives, therefore a systematic study of social and psychological processes—team dynamics—that underlie teams’ success in the entrepreneurship process is timely and important.

SESSION 482

GOVERNANCE DYNAMICS

TRACK A/C	Date	Saturday, June 3
	Time	08:15 – 09:30
Common Ground	Room	Bluebell

Session Facilitator: Felix Arndt, *University of Roehampton*

Exploring Acquisition Based Dynamic Capabilities and Reinvention of Business Models in M&A: Decision Making Pattern

Andrejs Cirjevskis, *RISEBA University*

Much is known about what dynamic capabilities are. Yet, surprisingly little is known about how multiple dynamic capabilities might be developed in M&A process and underpin re-invention of business model of merging company. Using illustrative case study of Facebook Inc. acquisition of WhatsApp Inc. in 2014, we seek to address this gap. The aim of the paper is to identify the role of dynamic capabilities in reinvention of business model of acquirer’s company in related diversification process by means of acquisition. Our major contribution is emerging conceptual model of research that connect acquisition based dynamic capabilities frameworks with building blocks of business model together and illustrate how acquisition based dynamic capabilities foster a reinvention of business models in M&A processes in ITC Industry.

From Angel to Eagle: The Role of PE Seats in the Board in IPO Underpricing

Haiyang Li, *Rice University*
 Junwei Shi, *Zhongnan University of Economics and Law*

In this study, we examine the effect of private equity’s (PE) seats in the board of directors on IPO underpricing of entrepreneurial firms. Using data on PE-backed IPOs from 2009 to 2012 in China’s newly launched ChiNext market, we found that the more board seats retained by PE investors in an IPO firm, the higher the level of underpricing. Moreover, we found that the effect of PE board seats on IPO underpricing is contingent upon both CEO duality and institutional changes. Our study contributes to a better understanding of the role of PE investors in IPOs, particularly in the context of emerging markets.

Who Owns the White Elephant? Market Frictions, Market Connections and Sunk Cost Fallacy

Zhen Sun, *Tsinghua University*
 Lin Shi, *Macau University of Science and Technology*

Managers with less market connection tend to hold the assets longer than their more connected counterparts, even though the expected return for the former is lower. This counter-intuitive phenomenon leads to an unforeseen loss, which merits attention and explanation. We proposes a mechanism that in a dynamic market with frictions, the less connected managers need longer time to reach transactions, compared to the more connected ones who have information advantage; self-justification of past investment decisions makes it harder for the less connected managers to abandon their assets. The model further suggests that clarifying market boundaries helps facilitate transactions. Empirical results using data on patents from Chinese innovators support the theory. The study deepens understanding on strategic value management on innovative assets in a dynamic market.

SATURDAY 08:15 – 09:30



Industry Discretion and Factor Market Liquidity on Firm Profitability: Cross-Country Evidence

Youngbin Joo, *University of Alberta*

Rengong Zhang, *City University of Hong Kong*

We study the interactive effect of country-industry on firm profitability through linking the level of industry discretion to the national level capital and labor market liquidity. We identify configurational mechanisms of discretion and short-termism on firm profitability and test our predictions using a cross-country dataset. The evidence suggests that stock market liquidity is negatively associated with firm profitability in industries with greater discretion. Such negative effect is weaker for credit market liquidity. Consistent with findings from the capital market, labor market liquidity appears to be negatively associated with firm profitability in industries with greater discretion. Our research provides new insights into the joint effects of industry and factor market characteristics on firm profitability.

Inside the Global Value Chain: A Dynamic Capabilities Perspective

Liena Kano, *University of Calgary*

Elena Beleska-Spasova, *University of Reading*

The objective of this study is to investigate dynamic capabilities required for efficient management of a global value chain (GVC). We aim to identify capabilities that a lead firm needs to develop in order to execute the construction, evaluation and adjustments of the flexible, geographically dispersed GVC, and explore how value is created and captured through recombination of these capabilities with capabilities held by partners. The study is rooted in two core concepts: the GVC and its latest iteration, the global factory; and (2) the flagship network, with the focus on the lead MNE's relationships with various actors in its global business network. We bring the above research streams together to arrive at a nuanced understanding of the internal functioning of the GVC.

The Role of a Corporate-Wide Offshoring Strategy in Globally Dispersed Innovations

Yi-Ju Lo, *Yuan Ze University*

Ming-Je Tang, *National Taiwan University*

Tung Min Hung, *Rutgers University*

While previous studies show that the effect of dispersed innovations on firm innovativeness remains unclear, this paper analyzes how a corporate-wide offshoring strategy influences such a relation on the basis of dynamic capabilities theory and the attention-based view of the firm. There are several important findings. Firstly, firms with a greater number of dispersed innovations have higher levels of innovativeness. In addition, the effect of dispersed innovations on firm innovativeness is larger when a corporate-wide offshoring strategy is adopted by the firm. Moreover, while the benefits of diversity and learning may guide firms to offshore many innovation activities across geographical locations, firms are able to gain the most returns from dispersed innovations when they highlight the advantages of orchestration by adopting a corporate-wide offshoring strategy.

SESSION 479

MANAGING INNOVATION AND CHANGE

TRACK B	Date	Saturday, June 3
	Time	08:15 – 09:30
Paper	Room	Hawthorn A

Session Chair: Raffi Amit, *University of Pennsylvania*

Developing a Business Model Innovation Capability

Christoph Zott, *IESE Business School*

Raffi Amit, *University of Pennsylvania*

In this article, we build on, and combine, two key ideas that have become prevalent in recent years: business model innovation, and design as a creative process. Anchored in our substantial field research, we address questions that have remained largely unexplored such as: What is the design process that leads to business model innovation in incumbent firms? And, more precisely, what are the drivers in that process that affect the magnitude of the resulting business model innovation?

Determinants of Environment Monitoring Intensity and its Impact on Firm's Innovativeness

Mael Schnegg, *University of Lausanne*

Daniel Oyon, *University of Lausanne*

Costas Markides, *London Business School*

Antonio Davila, *IESE Business School*

Environment scanning and monitoring is essential to detect on time opportunities and threats. Based on a survey on managerial practices, organizational arrangements and control systems, we study the determinants of environment monitoring and the impact of monitoring on innovativeness. We observe that the Balanced scorecard, known as one of the main strategic management tools is not associated with environment monitoring intensity. Conversely, a wide involvement of people, a disciplined and structured information sourcing process as well as a top management team focus are positively associated with the environment monitoring intensity. We, subsequently observe a positive association between the environment monitoring intensity and innovativeness of companies.

Pioneering New Business Models: The Role of Stakeholder Knowledge and Business Model Sensing

Stephan von Delft, *University of Glasgow*

Carsten Gelhard, *University of Twente*

J Ignacio Canales, *University of Glasgow*

We propose that the business model can be used as a structural concept that allows integration of work on knowledge and innovation with work on entrepreneurial thinking and dynamic capabilities. A business model captures both how external knowledge is used to create new business model ideas and how firms shape and adjust their way of 'going to market' by fine-tuning business model design. Integrating these research streams, we explore how relationships with essential stakeholders, namely customers and suppliers, enable firms to pioneer competitively distinct business models. Findings confirm 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.

Against All Odds: Adapting to Technological and Market Change in the European Telecommunication Sector

Luca Pistilli, *Bocconi University*

Gianmario Verona, *Bocconi University*

Christian Stadler, *University of Warwick*

The existing literature in strategic management highlights many examples of incumbent's failure following an environmental shock. This poses the question how incumbents can survive. The EU telecommunication industry offers us a quasi-experimental setting where incumbents survived both the liberalization and the introduction of internet based competition such as Skype. We claim that dynamic capabilities played a major role here. Telco operators created, but even more importantly maintained and modified dynamic capabilities. Our preliminary results, based on 18,367 pages of archival material and 46 in-depth semi structured interviews, suggest that hiring, acquisitions and alliances were mechanisms that allowed firms to continuously adjust dynamic capabilities.

SESSION 459

PROBLEM DEFINITION AND FRAMING

TRACK D	Date	Saturday, June 3
	Time	08:15 – 09:30
Paper	Room	Hawthorn C

Session Chair: Kyle J. Mayer, *University of Southern California*

Problem Framing and Problem Solving Process on Capability Development: The Case of an Established Firm

Ei Shu, *Kyushu University*

While prior research has identified the impacts of cognitive and behavioral processes on capability development, empirical research that analyzes the cognitive underpinnings of dynamic capabilities is sparse. Building on current research on problem framing and problem solving perspective, this paper examines how managers direct their attentions in framing and solving problems in different types of capability development. Based on an in-depth case study of an established firm, the findings show that cognitive barrier is relatively low when managers frame the technological change as combination of existing capabilities, or when the change is framed as an extension exercise, but they show cognitive and emotional resistance when the change is framed as suppression or replacement of exiting capability.

Do You Know What You Are Looking for? How Problem Definition Guides Search

Felix Meissner, *University of Zurich*

The Problem-Solving Perspective (Nickerson & Zenger, 2004) suggests that organizations need to select a set of valuable problems by determining a space of possible solutions of high value in order to direct attention for subsequent search accordingly. Following prior research in the tradition of the behavioral theory of the firm (Cyert & March, 1963; March & Simon, 1958), we investigate with a modification of the multi-armed bandit (March, 1996) how such a problem definition effort influences subsequent search processes and performance. Dependent on the time horizon, more narrow or more broad definitions of problems may be advisable to optimize for high-performing solutions. Further, the impact of problem definition on performance depends on the clarity (or noise) of the performance feedback received.

Contract Design Capabilities: The Role of Framing in Contractual Governance

Kyle J. Mayer, *University of Southern California*
 Libby Weber, *University of California, Irvine*

We expand the concept of contract design capabilities by examining firms' differential abilities to identify and implement appropriate frames in the contract and execute the task under the contract. Firms must first determine whether a prevention or promotion frame induces behavior best suited for the task. Then, to implement the frame in the contract, they must align negotiator frames with those suggested by the task. Finally, to execute the contract under the appropriate frame, they must consider the alignment between the supplier's organizational frame and the desired contract frame to ensure that the appropriate behavior is performed in completing the task. Because this process is complex, a firm that excels at contract framing will enjoy increased exchange success that will contribute to sustained competitive advantage.

Two Faces of Competitors: How Competitors' Success Affects Organizational Change

Amy Ding Zhao, *INSEAD*
 Jason Davis, *INSEAD*

This paper examines how competitors' success affects organizational change. Conceptualizing competitors' success as a problem that triggers organization's search, we argue that the different dimensions of competitors' success—posing survival threat vs. indicating market opportunities—affect organizations' evaluative decision making process differently. Using data in the iPhone app ecosystem, we identify two dimensions of success, customer traction and business revenue, to disentangle the scenarios when firms feel discouraged by strong competition and when they feel encouraged because they get evidence that certain markets are promising. The results show that firms do not care about competitors' success unless it suggests market opportunities, and the type of change firm engage in depends on both external—market uncertainty and internal—business model factors.

09:30 – 10:00

COFFEE BREAK (WILDROSE PREFUNCTION)

SATURDAY 08:15 – 09:30



SESSION 449

DISRUPTIONS AND CRITICAL EVENTS

TRACK A	Date	Saturday, June 3
	Time	10:00 – 11:15
Paper	Room	Hawthorn A

Session Chair: Yasemin Kor, *University of Cambridge*

Keeping Dynamic Capabilities Strong: The Role of Higher-Order Learning from Critical Entrepreneurial Events

Yongjian Chen, *Wilfrid Laurier University*

Nicole Coviello, *Wilfrid Laurier University*

We argue that higher-order generative learning experiences are foundational to building dynamic capabilities. This type of learning is also associated with entrepreneurship but not all enterprising activities create higher-order learning. To us, this suggests the need to focus on ‘critical entrepreneurial events’ that occur at the firm level in a discontinuous, non-routine manner. We argue that these events contribute to the development of dynamic capabilities. In turn, dynamic capabilities help support and routinize the occurrence of these events. This creates a self-reinforcing spiral or path through which a firm builds and then strengthens and refreshes its dynamic capabilities over time.

Resilience in Response to Crisis: Capabilities to Avoid Drift and Overcome Routine and Acute Adversity

Trenton Williams, *Syracuse University*

In recent years, the world has become increasingly technologically complex, globalized, and interconnected. These changes have resulted in more frequent and widespread daily disturbances, taxing organizational capabilities and increasing the likelihood of a myriad of organizational crises. In this proposal, I explore prior research on crisis management and resilience to highlight the need for understanding the nature of crises and how to develop capabilities for resilience to avoid, manage, and overcome adversity. I look to explore future research opportunities for expanding our understanding of resilience and its role in organizational life. In taking this focus, I build on calls from major journals (AMJ, SMJ) to focus on processes by which resilience capabilities are cultivated and deployed.

Disruptive Innovation in Social Networks

Jay Barney, *University of Utah*

Heidi Herrick, *University of Utah*

Mo Chen, *University of Utah*

Barclay Burns, *University of Utah*

Ryan Angus, *University of Utah*

There is scholarly interest in how entrepreneurs enroll human capital to form and exploit opportunities. Work has begun to shift attention away from the stage of an entrepreneurial endeavor to focus on the informational context within which the entrepreneur is operating, that being risk and uncertainty. To address the informational context of enrolling human capital the paper develops a model that simulates the role of strong, weak, and bridging ties under conditions of risk and uncertainty. Simulations are used to examine the likelihood of enrolling human capital through social network ties under various types of disruptive innovation. In addition, because new or more mature industries can be disrupted, none of these results depend on the stage of an entrepreneurial endeavor, per se.

Industry Disruption and Managerial Responsiveness Through Acquisitions

Yasemin Kor, *University of Cambridge*

Danchi Tan, *National Chengchi University*

This empirical study examines a wave of acquisitions that took place in the U.S. food manufacturing industry between 1997 and 2007. Acquisitions enabled firms to enter the organic food market as a response to the shifting consumer demand for healthy-natural and organic-certified food along with the enactment of U.S. Organic Food Act. We identify alternative competitive and collaborative paths firms have taken and examine how these responses are empirically linked with firms’ managerial experience and human capital.

With this research, we aim to contribute to competitive strategy literature by demonstrating the alternative responses firms display after an industry disruption and how these competitive patterns are shaped by the expertise profiles of the top managers as key drivers of strategic adaptation.

SESSION 453

PERSONALITY, COGNITION AND SOCIAL TIES: EFFECTS ON ENTREPRENEURIAL ACTIVITIES

TRACK A	Date	Saturday, June 3
	Time	10:00 – 11:15
Common Ground	Room	Bluebell

Session Facilitator: Beverly Tyler, *North Carolina State University*

Micro-Foundations of Dynamic Capabilities in New Ventures: Founders’ Personality

Olga Petricevic, *University of Calgary*

Robin De Cock, *Ghent University*

Bart Clarysse, *ETH Zurich*

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 172 lead founders of new tech-based ventures in Belgium and by administering seven waves of surveys (2009–2016). Our findings indicate that personality traits of lead founders have differential impact on orchestrating sensing, seizing and reconfiguration activities underlying the DC construct.

Narcissistic CEOs’ Influence on Corporate Entrepreneurship Strategy

Wenlong Yuan, *University of Manitoba*

Yongjian Bao, *University of Lethbridge*

Bradley Olson, *University of Lethbridge*

Zhenyu Wu, *University of Manitoba*

Two conflicting views have emerged about the impact of narcissistic chief executive officers (CEOs) on firms’ entrepreneurial behavior. One perspective emphasizes that as narcissistic individuals are characterized by extreme self-aggrandizement, an inflated view of self, and a constant need for admiration, narcissistic CEOs often overestimate their chances of success and engage in entrepreneurial behaviors. The other perspective proposes that the interpersonally toxic characteristics of narcissistic CEOs tend to create frictions in top management team (TMTs), which may impede TMTs’ engagement in entrepreneurial activities. Drawing on the upper echelons theory and recent research on narcissism, we explore how narcissistic CEOs exhibit negative and positive impact on organizational processes, and how various TMTs respond differently to narcissistic CEOs in the pursuit of corporate entrepreneurship.

Exploring the Cognitive Foundations of Dynamic Capabilities: Top Managers and Firm Outcomes in Biotechnology

Annetta Fortune, *Widener University*

As a microfoundation of dynamic capabilities cognition opens the discussion of educational background as a dynamic capability. Work done in upper echelons and entrepreneurship supports the translation of an individual level dynamic capability to the firm level given the influence of top managers on firm decision making and outcomes. Hence, this work investigates the advanced science education of top managers as a dynamic capability in the biotechnology industry. First, this work contributes to our understanding of dynamic capabilities by highlighting the contextual sensitivity of specific dynamics capabilities and their microfoundations given the relevance of advanced science degrees within biotechnology. Second, this work encourages further discussion and future research probing the foundations of dynamic capabilities and their relevance within and across given contexts.

Top Management Team Complementarity, Corporate Governance, and Post-IPO Firm Performance

Jun Li, *University of New Hampshire*
 Jianhong Chen, *University of New Hampshire*

As an entrepreneurial firm goes public, its top management team typically often experiences restructuring as new knowledge and skill sets are needed for a new public firm. Taking a dynamic perspective, we posit that whether or not the post-IPO management team brings in complementary (different) knowledge base than the pre-IPO team is a critical for firm performance. Specifically, we hypothesize that the functional complementarity of the pre- and the post-IPO top management team positively affects post-IPO performance; and such relationship is positively moderated by CEO duality and TMT board membership. A sample of 200 biotechnology IPO firms which went public during 1990–2007 will be used to test our hypotheses. The study contributes to current studies on upper echelons, managerial change, as well as IPO firms.

Social Capital in the Digital Age: Online and Offline Networks of New Venture TMTs

Hans-Jorg Winkler, *Technical University of Dortmund*
 Andreas Engelen, *Technical University of Dortmund*

The popular narrative of “tech nerds” in new ventures—social outsiders with entrepreneurial and technological ingenuity—is somewhat at odds with extant research, which usually highlights the positive effects of social connections. Relying on social capital theory, we investigate whether and how the networking activities of top-management teams (TMTs) affect the funding of early-stage new ventures. We argue that TMT members’ online and offline networks must be distinguished by the different types of social capital resources they provide, in particular with respect to the boundary conditions of external and internal technological uncertainty. We find that a TMT’s online networking activities increase the likelihood of obtaining funding. However, and somewhat surprisingly, offline networking activities actually have negative performance consequences, in particular under high internal technological uncertainty.

Advice to Entrepreneurs from Combinations of Direct and Indirect Ties

Sean R White, *Grenoble School of Business*
 Andrew Parker, *University of Kentucky*

We investigate relational paths through entrepreneurs’ supporters. We build upon investigations of entrepreneurs’ relationships with supporters – direct ties – by extending the investigation to supporters’ relationships with third parties – indirect ties – by drawing upon discussions around tie features that are conducive to knowledge transfer. Using fsQCA (fuzzy-set Qualitative Comparative Analysis) we observe and compare tie features – multiplexity, difference in status, and negative affect – in relational paths comprised of one direct tie and one indirect tie. We propose that these paths affect the supporters’ provision of advice to the entrepreneur by 1) constraining/enabling the supporter’s range of advice-giving responses, 2) securing the supporter’s access to knowledge which is applicable to an entrepreneur’s specific situation, and 3) validating supporter’s knowledge and abilities.

SESSION 478

EARLY KNOWLEDGE AND INNOVATION

TRACK B/C	Date	Saturday, June 3
	Time	10:00 – 11:15
Paper	Room	Hawthorn B

Session Chair: Won Kyung Min, *Fordham University*

Social System View on Developing Dynamic Capabilities for Knowledge-Intensive Entrepreneurship

Olga Belousova, *University of Groningen*
 Aard Groen, *University of Groningen*
 Aniek Ouendag, *University of Groningen*

In this paper we tackle the question of how to develop dynamic capabilities in knowledge intensive industries by entrepreneurs without initial

industry-specific knowledge. We examine six cases of parent-driven drug development in the orphan disease industry, and study how they develop critical market entry capabilities. Previous research has highlighted the role of knowledge and experience for developing dynamic capabilities, making these cases especially interesting. By bridging the dynamic capabilities and social systems literature, we bring a novel perspective allowing to add to both, entrepreneurship and strategic management literature by better understanding the nature of new venture development in knowledge-intensive industries, as well as by explicating the nature of the process and patterns in developing dynamic capabilities.

Pre-Commercialization Knowledge Integration and De Alio Performance in Nascent Markets

Won Kyung Min, *Fordham University*
 Nandini Lahiri, *American University*

We examine the effect of pre-commercialization knowledge integration on firms’ performance in nascent industries. First we show that greater integration of knowledge about different technology components will lead to higher product performance in the infant years of an industry. We highlight a learning opportunity knowledge integration enables through which diversifying entrants experiment with an emergent technology architecture of a new product. Furthermore, we suggest that such benefits can be contingent upon the experience of de alio entrants. We distinguish two groups of de alio entrants: those coming from a downstream end of a value chain, coined as horizontal entrants and others from an upstream end of a value chain, conversely coined as vertical entrants in this study.

Dynamic Capabilities in Academic Spin-Offs

Josephine Tan, *University of Otago*

Drawing on the academic entrepreneurship and dynamic capability perspective, this study examines how dynamic capabilities are manifested in the initiation and development of academic spin-offs. Specifically, we extend the literature by adopting a process oriented approach to understand how dynamic capabilities are developed and deployed by academic entrepreneurs in New Zealand based academic spin-offs. In this proposal, we develop a theoretical framing for the study. This research will enhance our understanding of how entrepreneurial activities are undertaken in an academic context. Our research will shed light on how nascent firms utilise dynamic capabilities in their early stage of development, as well as in ambiguous research environments.

Dynamics of Entrepreneurial Internationalization: A Theoretical Framework

Hadi Fariborzi, *University of Calgary*

In this paper I propose a dynamic model using system dynamic framing to explain entrepreneurial internationalization. The proposed model is informed by three models from extant literature trying to capture dynamics of internationalization, namely the Entrepreneurial Internationalization Process model of Jones and Coviello (2005), the New Internalization Theory framework suggested by Verbeke and Kano (2015) and the dynamic Capabilities perspective proposed by Al-Aali and Teece (2014). We can explain the entrepreneurial dynamic process of identifying international opportunities, seizing them, and the feedback effects of such internationalization in terms of learning and accumulated market knowledge. We also shed light on the opportunity seizing capability of the firm using the notion of firm-specific advantages of the firm transferred to or created in the new location.

SATURDAY 10:00 – 11:15



SESSION 469

VICARIOUS AND EXPERIENTIAL LEARNING

TRACK C	Date	Saturday, June 3
	Time	10:00 – 11:15
Paper	Room	Hawthorn C

Session Chair: Anja Tuschke, *University of Munich*

Cooperative vs. Adversarial Learning: How the Experiences of Rivals and Non-Rivals Affect Foreign Market Entry

Exequiel Hernandez, *University of Pennsylvania*

Anja Tuschke, *University of Munich*

Research on international market entry has tended to theorize and test the influence of learning from rivals and non-rivals separately. Starting from the notion that the relationship of the focal firm with rivals and non-rivals is fundamentally different, we distinguish between “adversarial” and “cooperative” learning. We posit that non-rivals’ experiences have a stronger impact on a focal firm’s market entry than rivals’ experiences, that this difference is mitigated when the focal firm and its rivals are geographically proximate, and that the two learning sources substitute one another when the firm is exposed to both. We find support for these ideas in a study of FDI by British, French, and German firms into Eastern Europe between 1990 and 2008.

Following the Guiding Star: How Family Firms Navigate Their Foreign Direct Investment

Sebastian Fourné, *Wilfrid Laurier University*

Miriam Zschoche, *WHU*

In this study, we explore how family firms use reference points for guidance in their foreign direct investment decisions. We examine the nature of imitation strategies used by family firms, tracing whom they follow and accounting for heterogeneity among family firms in terms of their experience in a foreign market and of stock market listing. Longitudinal data from an extensive sample of German firms support our hypothesis that family firms follow the investment signal of the biggest home-country and industry peer that is also family-owned. The results also suggest that inexperience amplifies this behavior, whereas stock market listing dampens it. We discuss the implications for the family firm and international business research as well as for management practice.

How Home-Peer Track Record Affects Small Firms’ Export Performance and Survival in International Markets

Matthias Baum, *University of Kaiserslautern*

Sui Sui, *Ryerson University*

Shavin Malhotra, *University of Waterloo*

Drawing on the reputation spillover and learning literatures, we argue that when home-peer firms (firms from the same country and industry) have a better track record in given export markets, smaller firms from the same country and industry are likely to experience a higher initial export performance in those markets. In addition, this initial export performance will bolster the eventual survival of small firms in these international markets. Our analyses of panel data on 37,475 Canadian newly established firms (1996–2008) support our arguments. We also find that the influence of initial export performance on the likelihood of survival in international markets is more pronounced for small firms that internationalize at an earlier age and those with no prior export experience.

Pre-Entry Experience, Market Adaptations and Internationalization in African Mobile Telecommunications Markets

Romel Mostafa, *University of Western Ontario*

Mohammad Jahanbakht, *Carnegie Mellon University*

Francisco Veloso, *Lisbon Catholic School of Business and Economics*

We explore how pre-entry experience of developing country firms can enable them to adapt existing business models to the challenging market and operational conditions of their home countries. We contend that they can leverage the capabilities derived from such adaptations to enter and compete in other regional countries with similar conditions. Evidence from the evolution of the African mobile telecommunications industry suggests that a few regional firms with industry-relevant pre-entry experience successfully internationalized across the continent, spurring the industry’s growth. Our work provides a nuanced understanding of how firms’ pre-entry experience can contribute to superior capability development through adaptation, and links pre-entry experience with internationalization activities to uncover key sources of differential ownership advantages among developing country firms.

SATURDAY 10:00 – 11:15

SESSION 483

THE ORIGINS, HISTORICAL TRAJECTORY AND CONTEMPORARY APPLICATIONS OF THE DYNAMIC CAPABILITIES APPROACH

TRACK PLE	Date	Saturday, June 3
	Time	11:30 – 12:45
Plenary Panel	Room	Wildrose Salon C

Session Leaders

Elizabeth Cannon, *University of Calgary*
 Jim Dewald, *University of Calgary*

Panelists

David Teece, *University of California, Berkeley*
 Birger Wernerfelt, *MIT*

Elizabeth Cannon, President of the University of Calgary and Fellow of the Royal Society of Canada, together with Jim Dewald, Dean of the Haskayne School of Business at the University of Calgary, will provide opening remarks at this plenary session. David Teece will explain his own transformation from a scholar specialized in the governance of large organizations, and focused on eliminating the ‘inhospitality tradition’ in American courts, to becoming the flag bearer of the dynamic capabilities school in management research and practice. He will address the origins of the highly influential dynamic capabilities papers published in 1997 and 2007 in the Strategic Management Journal (SMJ), and on the state-of-the-art of dynamic capabilities thinking in 2017. Birger Wernerfelt, one of the founders of the modern resource-based view (RBV) theory in strategy, and author of the classic 1984 SMJ paper entitled ‘A Resource-Based View of the Firm’, will respond to David Teece’s description of the intellectual history of dynamic capabilities. He will provide his own perspective on the present state of strategy research, as described in his recent Cambridge University Press book that includes a modern RBV theory of the firm, focused on firm-level adaptation and specialization.



ELIZABETH CANNON is the eighth president and vice-chancellor of the University of Calgary. Prior to her appointment as president, Dr. Cannon was dean of the Schulich School of Engineering, propelling it into the top ranks of Canadian engineering schools. Dr. Cannon is a Professional Engineer, a fellow of the Royal Society of Canada, a fellow of the Canadian Academy of Engineering and an elected foreign associate of the National Academy of Engineering.

Currently, she serves as the Chair of Universities Canada, as well as a member of the federal Minister of Industry’s Science, Technology and Innovation Council, the Business Higher Education Round Table, and the U15 Group of Canadian research universities. An expert in geomatics engineering, Dr. Cannon’s research has been at the forefront of Global Positioning Systems (GPS) since 1984 in both industrial and academic environments, and she has commercialized technology to over 200 agencies worldwide. Dr. Cannon’s work has been recognized with many honours, including the Johannes Kepler Award from the U.S. Institute of Navigation, APEGA’s Centennial Leadership Award and the Gold Medal Award from Engineers Canada in 2013. From 1997 to 2002 she held the NSERC / Petro-Canada Chair for Women in Science and Engineering and from 2002 to 2004 she was the recipient of the NSERC E.W.R. Steacie Fellowship for outstanding young researchers. Dr. Cannon holds a Bachelor of Applied Science in mathematics from Acadia University as well as a BSc, MSc and PhD in geomatics engineering from the University of Calgary, and has received Honorary Doctorates from the University of Ottawa, Acadia University and the Université de Montréal.



JIM DEWALD is the Dean of the Haskayne School of Business, and Associate Professor of Strategy & Global Management. Prior to entering academics, Jim was in industry, achieving several senior executive positions, including President & CEO of Hopewell Residential Communities. He currently serves on the boards of Boardwalk Communities, the West Campus Development Corporation, CPA Alberta, Junior Achievement Southern Alberta, the

Real Estate Development Institute, and Innovate Calgary. Jim was named Calgary’s Citizen of the Year, a “Thought Leader” of the Alberta Real Estate Foundation, and an Honorary Member of the Appraisal Institute of Canada. Jim was the Real Estate columnist for the CBC Eye Opener and urban design cocolumnist for the Calgary Herald. He has written two books, two book chapters, over 20 academic papers, and over 50 newspaper articles.



DAVID TEECE is the Thomas W. Tusher Professor and director of the Tusher Center for the Management of Intellectual Capital, University of California, Berkeley. He is also chairman and cofounder of Berkeley Research Group, an expert services and advisory firm with offices in 40 locations globally. David Teece is an authority on subjects including corporate strategy, innovation, strategic management, economics of technological change,

technology transfer, and antitrust economics. He has a Ph.D. in economics from the University of Pennsylvania, has held positions at Stanford University and Oxford University, and has four honorary doctorates. He has testified before Congress on regulatory and competition policy, is author of over 200 books and articles, and is the editor of *Industrial & Corporate Change* (Oxford University Press). According to Science Watch, he is the lead author on the most cited article in economics and business worldwide (1995–2005). He is an SMS Fellow, has 6 honorary doctorates, and is an active angel investor in technology startups.



BIRGER WERNERFELT has been at MIT for almost thirty years and is currently the J. C. Penney Professor there. He was educated at the University of Copenhagen and Harvard and has an Honorary Doctorate from the Copenhagen Business School. Wernerfelt has done foundational and often iconoclastic work in economics, management strategy, and marketing. In the last several years, he has been working on an economic theory of the firm. A fairly comprehensive

statement of the theory can be found in “The Comparative Advantages of Firms, Markets, and Contracts: A Unified Theory” (2015). In the book, “Adaptation, Specialization, and the Theory of the Firm: Foundations of the Resource-Based View” (2016), Wernerfelt starts with his economic theory of the firm and derives the Resource-Based View of the Firm (of Wernerfelt, 1984), thus showing that the two perspectives are consistent.

SATURDAY PLENARY

12:45 – 13:45

LUNCH (WILDROSE SALON A)



SESSION 447

MORE THAN JUST A BUSINESS: VENTURING, VALUE CREATION, AND THE MULTI-PURPOSED "HYBRID" ORGANIZATION

TRACK A	Date	Saturday, June 3
	Time	14:00 – 15:15
Parallel Panel	Room	Hawthorn A

Session ChairTrenton Williams, *Syracuse University***Panelists**Isabelle Le Breton-Miller, *HEC-Montreal*G. T. Lumpkin, *University of Oklahoma*Christoph Zott, *IESE Business School*

Firms are value generating mechanisms for a variety of stakeholders including shareholders, firm managers, and broader participants in the economy. While firms seek to generate economic value, there is an increasing need for businesses to demonstrate value creation beyond basic economic outcomes. Given these needs, firms must develop identify and develop capabilities to create these alternative forms of value. In this panel discussion, we discuss emerging themes in how firms must generate alternative forms of value. We explain several streams of research and highlight the need to think more expansively about what it means for a firm to create and sustain value over time.

SESSION 448

EMPLOYEE ENTREPRENEURSHIP

TRACK A	Date	Saturday, June 3
	Time	14:00 – 15:15
Paper	Room	Hawthorn C

Session Chair: Martin Ganco, *University of Wisconsin-Madison***Patterns of Employees' Motivation to Behave Entrepreneurially**Anja Schulze, *University of Zurich*Christian Rupiotta, *University of Wuppertal*

Firms increasingly strive to attain innovativeness by encouraging their employees to behave entrepreneurially. However, there are still gaps in the literature when it comes to entrepreneurial behaviors in organizations. Questions that are unanswered by the literature and addressed by our study are Which situationally specific motivations drive employees to behave entrepreneurially? And: Which combinations of situationally specific motivations drive employees to behave entrepreneurially? We study the motivations of 66 employees of a Swiss high-tech company and their entrepreneurial behavior that targets innovation. Deploying content analysis of transcribed interviews and Qualitative Comparative Analysis, we find that employees' motivation for entrepreneurial behavior entails both, intrinsic and extrinsic motivation with all its subcategories and that it consists of different combinations of motivations.

A General Theory of Employee Entrepreneurship: A Knowledge-Based ViewMartin Ganco, *University of Wisconsin-Madison*Aseem Kaul, *University of Minnesota*Joseph Raffiee, *University of Southern California*

We develop a novel theory of employee entrepreneurship based on the nature of employee ideas. We argue that recombinant inventions developed by employees may both draw on firm-specific knowledge and be valued differently by the employee and the firm, and that these factors will impact how these ideas are commercialized. We develop a conceptual framework to predict how value from employee ideas is both created and captured—through employee entrepreneurship, technology markets, or internally within the firm—as a function of firm-specificity of knowledge, firm-specificity of complementary resources, and differences in valuation. Our study provides a comprehensive and coherent account of the drivers of employee entrepreneurship, while highlighting that the very factors that

limit employee entrepreneurship also contribute to a firm's knowledge-based competitive advantage.

Jewels in the Crown: Exploring the Motivations and Team Building Processes of Employee EntrepreneursSonali Shah, *University of Illinois at Urbana-Champaign*Rajshree Agarwal, *University of Maryland*Rajagopal Echambadi, *University of Illinois at Urbana-Champaign*

The study examines motivations and team building processes of employee entrepreneurs through the analysis of thirty founding narratives of disk drive industry spinouts founded between 1977-1997. Our grounded theory building approach uncovers distinct ringleader and cofounder roles, and highlights the underappreciated importance of non-pecuniary motivations and human capital corridors team assembly process. These motivations and team building processes shape the spinout firm's strategic considerations: the founding team seeks to create unique value propositions, with a reluctance to steal technologies from their parent firms, but a willingness to poach talent. Triangulation with quantitative data reveals that spinouts created with human capital corridors team building processes had significantly better capabilities and success than spinouts that lacked some aspects.

Expanding Horizons? Effects of Spin-Outs on Parent Firms' Capabilities and Product-MarketsVilma Chila, *Tilburg University*Xavier Martin, *Tilburg University*

We extend the dynamic capabilities perspective to consider the impact of spin-outs on parent firms' search scope and dynamic capabilities development. We build theory on how a spin-out influences routines and resource positions within the parent firm, thus triggering change in its strategic direction and the decision to enter new product-markets. Considering factors that determine the magnitude of change the spinout imposes on the parent firm, and the type of adjustments the parent makes, contributes to a more contingent view of the conditions under which a spin-out matters for the parent's strategy and capability development. The empirical context of this study is the semiconductor industry, where spinouts have contributed to and shaped the evolution of the industry.

SESSION 476

KNOWLEDGE TRANSFER AND REPLICATION

TRACK B	Date	Saturday, June 3
	Time	14:00 – 15:15
Common Ground	Room	Bluebell

Session Facilitator: William Schulze, *University of Utah***Trade, Innovation, and Integration into Global Value Chains: Evidence from Mercosur**Charlotte Jacobs, *Temple University*Marcelo Cano-Kollmann, *Ohio University*Ram Mudambi, *Temple University*

This project explores the relationship between trade and innovation activity. Using the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) as empirical setting, our preliminary findings indicate that the increases in intra-bloc trade that happen after a free trade agreement is signed, do not necessarily correlate with an increase in collaboration for knowledge creation, if the countries involved lack sufficiently deep pools of knowledge or a robust national system of innovation.

Exploring the Relationships Between Organizational Knowledge and Dynamic Capabilities Within Innovation Projects

Kavoos Mohannak, *Queensland University of Technology*
 Alireza Javanmardi Kashan, *Queensland University of Technology*

This paper explores the relationship between dynamic capabilities and organizational knowledge within product innovation projects. In particular, it aims to better understand the processes involved in building dynamic capability routines within firms. Building on qualitative data from the auto-industry the study provides an empirical contribution to the field of dynamic capabilities, revealing that across four product innovation projects the case company developed different routines constituting dynamic capability. This research demonstrates the process nature of such relationships and illustrates how different mechanisms of knowledge integration and application at each level of the product architecture leads to the development of dynamic capability routines. These findings highlight the role of prior knowledge in evolving radical innovation and development of dynamic capability.

Generating Tacit Knowledge Across Borders: International Collaboration and Design Innovation in Norway

Xinlu Qiu, *Norwegian School of Economics*
 Marcelo Cano-Kollmann, *Ohio University*

We study design innovation in Norway and the degree to which it relies on international linkages for its generation. Using a dataset spanning 40 years (1976 to 2015) of design patents by both Norwegian firms and inventors, we map the design innovative activity of Norway and the pipelines that allow the generation of design knowledge in collaboration with other countries. Our fine-grained data allows us to test the conditions under which firms can orchestrate the creation of tacit knowledge across international borders. We find that bimodal innovation displays a bimodal patterns depending on the intensity of the technology (low-tech vs. high-tech design) and the capabilities of the firms (smaller domestic firms vs. highly sophisticated MNEs).

Do Unanticipated Shocks Help or Hinder Knowledge? Understanding Changes to Firm Routines after a Recall

Anna Fung, *University of Washington*
 Mukund Chari, *University of Washington*
 Abhishek Borah, *University of Washington*

Invention is critical for firm survival and growth. Firms create routines to foster inventive activity when business operates as usual. However, these routines can be affected by unanticipated negative events, such as involuntary product recalls. While debilitating in many ways, these unanticipated shocks can help firms to create novel knowledge and change knowledge routines. While prior research suggests that firms respond to and learn from product recalls, we advance theory by studying how US firms change their routines in response to recalls. We use two large datasets of patents and product recalls across 18 years (1988 to 2006) and employ text mining to identify related technology domains. Our findings show that, in response to unanticipated shocks, domestic firms generate more novelty and use different knowledge.

Online Open Innovation Intermediaries and Co-creation Capabilities

Krithika Randhawa, *University of Technology, Sydney*
 Ralf Wilden, *University of Newcastle*

Using an exploratory embedded case study, we investigate the capabilities intermediaries use to engage with client organizations and successfully enable their dynamic capability deployment via online community-based open innovation. We incorporate co-creation literature, dynamic capability and service-dominant logic of marketing into the open innovation literature to develop an intermediary capability-portfolio framework for client engagement. Results show that intermediaries deploy technological, marketing and co-creation capabilities to facilitate clients in overcoming organizational and project-based barriers to community-based open innovation. A key revelation is that, acting as a higher-order capability, co-creation capability reinforces technological and marketing capabilities, and is critical to co-create both product and market value. These insights are useful for intermediaries to support clients in deploying dynamic capabilities through the implementation of community-based open innovation.

Developing Dynamic Transformation Capabilities in High Velocity Environment: a Study of Industrial Internet Companies

Swapan Ghosh, *GE Digital*
 Mathew Hughes, *Loughborough University*
 Paul Hughes, *De Montfort University*

During a technological disruption, managers are challenged to transform their existing capabilities and remain competitive in a high velocity environment. Strategy scholars have suggested dynamic capabilities as means to counter these challenges. However, capability transformation process is not clear. In this study we articulated the difference between ordinary capability and dynamic capability and introduced dynamic transformative capability as an extension of dynamic capability. Using a qualitative case study method, we interviewed twelve senior executives in IIoT companies and developed a series of themes which are closely integrated and depict the challenges and conditions necessary for dynamic capability transformation process.

SESSION 484

COGNITIVE DIMENSIONS OF ENTREPRENEURIAL DECISION MAKING

TRACK D	Date	Saturday, June 3
	Time	14:00 – 15:15
Paper	Room	Hawthorn B

Session Chair: Daniela Blettner, *Simon Fraser University*

Firm Innovation at the Intersection of Entrepreneurial, Strategic, and Managerial Momentum: An Actor-Centric Framework

Monique Goepel, *Free University of Berlin*

Starting from an analysis of individual innovative and innovation-related behaviors, this study develops an actor-centric framework of firm innovation. Conceptualizing the process of innovation as a process of collective value creation under a novelty paradigm, I locate firm innovation at the intersection between entrepreneurial, strategic, and managerial momentum. I delineate these concepts in further detail by linking them to central axioms of their native literatures, and derive behavioral and cognitive implications for individual-level decision-making and action. Shifting the focus from contextual definitions of behavioral concepts to the rationale of associated activities shall broaden the lens towards an actor-based view on organizational innovation that is marked by micro-level processes of collective path creation under an economic paradigm.

Who Entrepreneurs Are or What Entrepreneurs See? Uncovering the Mechanisms Between Overconfidence and Risk Behavior

Priscilla Sarai Kraft, *University of Giessen*
 Jan Oliver Lampe, *University of Giessen*
 Pascal Back, *University of Giessen*
 Andreas Bausch, *University of Giessen*

A growing number of studies have focused on the role of overconfidence in the entrepreneurship decision-making literature. However, it remains unclear 'how' entrepreneurial risk-taking behavior is influenced by overconfidence. Building on information-processing and upper echelon theory, we propose two mechanisms that mediate the relationship between overconfidence and risk-taking behavior: risk perception ('what entrepreneurs see') and risk propensity ('who entrepreneurs are'). By aggregating over 25 years of literature with the help of meta-analytical structural equation modeling (MASEM), our results reveal a full mediation through risk perception and risk propensity. Interestingly, overconfident entrepreneurs tend to take risky actions particularly because they do not 'see' them as such. We thus extend prior research by uncovering two mechanisms that help to better understand entrepreneurial behavior.



How Does Celebrity Status Affect the Interpretation of Performance Feedback and Risk Taking?

Daniela Blettner, *Simon Fraser University*

Christina Atanasova, *Simon Fraser University*

Gerardus J. M. Lucas, *De Montfort University*

Eric Gedajlovic, *University of Connecticut*

When interpreting performance feedback to make strategic decisions, decision-makers may be influenced by their celebrity status. High celebrity status may instill such high levels of confidence in certain decision-makers that they become blind to performance feedback. Conversely, high status decision-makers might also be loss averse fearing to lose their status. It is important to note that status is not static but rather variable over a decision-maker's career. Such status variability can be associated with different confidence levels, which may influence the interpretation of performance feedback and subsequent risk taking. We study the impact of status variability on feedback interpretation in a longitudinal sample of directors/producers in the Hollywood feature-film industry and contribute to the performance feedback theory and the field of Behavioral Strategy.

Inter-Role Transitions: Inter-Role Differences, Self-identification Battles, and Performance of Immigrant Entrepreneurs

Serghei Musaji, *IE Business School*

Building on role transitions and identity literature, this paper examines the implications of inter-role transitions for performance in the post-transition environment. Specifically, we contend that stronger self-identification with the previous role reinforces the influence of the inter-role knowledge-related and economics-related differences on performance in the new context. Applying this prediction to the immigrant entrepreneurship context, we suggest that being older, being a female, and not being naturalized (as determinants of the stronger self-identification with the home country) strengthen both: the negative effects of the immigrants' home-to-host countries' linguistic differences, and the positive effects of the positive home-to-host economic differences on immigrant entrepreneurs' performance in the host country. Our findings from a multilevel analysis of a panel of 4,615 immigrant entrepreneurs are consistent with these predictions.

15:15 – 15:45

COFFEE BREAK (WILDROSE PREFUNCTION)

SESSION 486

POSITIONING DYNAMIC CAPABILITIES THINKING IN A WORLD OF MAINSTREAM ORGANIZATIONAL ECONOMICS AND STRATEGIC MANAGEMENT THEORIES

TRACK PLE	Date	Saturday, June 3
	Time	15:45 – 17:00
Plenary Panel	Room	Wildrose Salon C

Session Leaders

Sharon Alvarez, *University of Pittsburgh*
 Russell Coff, *University of Wisconsin-Madison*

Panelists

Jay Barney, *University of Utah*
 John Roberts, *Stanford University*
 David Teece, *University of California, Berkeley*

Russ Coff will introduce the three plenary speakers, and outline the similarities between the contemporary dynamic capabilities approach and the established work in strategy and organization theory that has addressed the necessity of continuous organizational change in turbulent environments. John Roberts will describe how organizational economics provides the foundations for good governance, and how it can therefore explain the relative success of particular firms in the market place. He will focus on how uniting insights from organizational economics and the dynamic capabilities approach could lead to improved theorizing on the functioning of the modern firm. Jay Barney will highlight the similarities and differences between his own RBV perspective of the firm and David Teece's dynamic capabilities approach. He will focus on whether it would be possible – and what it would require in intellectual and political terms – to merge these two, distinct theories. David Teece, will respond to the Chair and the two other speakers, and outline a new, grand vision, wherein the modern theories of entrepreneurship, organizational economics and RBV thinking are merged into a general theory of the firm. Sharon Alvarez, the session's Co-Chair, will facilitate the dialogue among the three keynote speakers, whereby she will focus on generating a conversation about the entrepreneurial dimensions of governance and dynamic capabilities.



SHARON ALVAREZ is the Thomas W. Olofson Chair in Entrepreneurial Studies at the Joseph M. Katz Graduate School of Business, University of Pittsburgh. She previously served as the Walter Koch Endowed Chair in Entrepreneurship at the Daniels College of Business, University of Denver and prior to that as an Associate Professor of entrepreneurship and management, and the Academic Director of the Center for Entrepreneurship at the Max M. Fisher College of Business, The Ohio State University. She was a Max Planck Scholar at the Max Planck Institute for Entrepreneurship and Economic Systems Research. Her current research includes entrepreneurship theory of opportunities, firm, and market emergence. Professor Alvarez is an associate editor for *Strategic Entrepreneurship Journal*.



RUSSELL COFF is the UW Foundation Chairman Orr Bascom Professor of Strategic Management at the University of Wisconsin-Madison. His research explores the role of knowledge-based assets in creating and sustaining competitive advantage. Thus, he studies dilemmas associated with human capital such as mobility, retention in M&A, rent appropriation, and organizational design under uncertainty. He has served the research community through participation on editorial boards including *Academy of Management Journal*, *Academy of Management Review*, *Journal of Management*, *Organization Science*, and *Strategic Management Journal*. His service to the profession has included the founding chair of the *Strategic Human Capital Interest Group* at SMS, and on the SMS board, Russell Coff has chaired the membership committee, which seeks to enhance innovation, coordination, and cooperation among interest groups.



JAY BARNEY is a Presidential Professor of Strategic Management and Pierre Lassonde Chair of Social Entrepreneurship at the University of Utah. He previously served as the Professor of Management and held the Chase Chair for Excellence in Corporate Strategy at the Max M. Fisher College of Business, Ohio State University. His research focuses on how firms can gain and sustain competitive advantages. He has been an associate editor for the *Journal of Management*, a senior editor for *Organization Science*, a co-editor at the *Strategic Entrepreneurship Journal*, and has been published in numerous leading publications. In addition to his teaching and research, he presents executive training programs throughout the US and Europe. Jay Barney is an SMS Fellow as well as a Fellow of the Academy of Management.



JOHN ROBERTS is the John H. Scully Professor, Emeritus, of Economics, Strategic Management and International Business at the Graduate School of Business of Stanford University. After starting his career at Northwestern's Kellogg School, he joined Stanford in 1980. He has published extensively in leading journals in economics and game theory and is an expert on the connection between strategy and organization, particularly in multinationals. His book, *The Modern Firm: Organization Design for Performance and Growth*, was named the best business book of the year by *The Economist*. He co-edited *The Handbook of Organizational Economics* and contributed to several chapters. His most recent research has involved randomized controlled trials of the effects of changing management practices in large firms in India and China.



DAVID TEECE is the Thomas W. Tusher Professor and director of the Tusher Center for the Management of Intellectual Capital, University of California, Berkeley. He is also chairman and cofounder of Berkeley Research Group, an expert services and advisory firm with offices in 40 locations globally. David Teece is an authority on subjects including corporate strategy, innovation, strategic management, economics of technological change, technology transfer, and antitrust economics. He has testified before Congress on regulatory and competition policy, is author of over 200 books and articles, and is the editor of *Industrial & Corporate Change* (Oxford University Press). He is an SMS Fellow, has 6 honorary doctorates, and is an active angel investor in technology startups.

SATURDAY PLENARY

18:00 – 21:00
GALA DINNER (WILDROSE SALON A)



07:00 – 08:00

BREAKFAST FOR ALL CONFERENCE PARTICIPANTS (WILDROSE SALON A)

SESSION 450

COMPLEX PROBLEMS AND UNCERTAINTY

TRACK A	Date	Sunday, June 4
	Time	08:15 – 09:30
Paper	Room	Hawthorn A

Session Chair: Sharon Alvarez, *University of Pittsburgh*

Dilemma of Deep Uncertainty and Dynamic Capability Perspective: Focusing on Kirzner's View of Entrepreneurship

Hirokazu Kano, *Waseda University*

In recent years, research on dynamic capabilities has focused on the concept of deep uncertainty. The purpose of this paper is to investigate the influence of introducing deep uncertainty into dynamic capability perspective by focusing on Israel Kirzner's research on entrepreneurship. Although Kirzner said that uncertainty is an essential element, he did not emphasize it in his view. This is because he faced a dilemma. This paper shows that dynamic capability perspective faces the same dilemma. Although deep uncertainty makes room for profit and a role for entrepreneurial managers, under deep uncertainty, managers cannot avoid possible losses regardless of their capacity. This paper suggests that this theoretical dilemma can be solved by introducing a type of risk between Knight's risk and his uncertainty.

Entrepreneurial Capabilities Under Knightian Uncertainty

Brian Saxton, *John Carroll University*

Sharon Alvarez, *University of Pittsburgh*

Jay Barney, *University of Utah*

Recent work in the dynamic capabilities area and related literatures has noted the impact of uncertainty uncertainty (Knight, 1921) on necessary capabilities for firm performance to some degree. This study describes a set of capabilities that enables firms to organize themselves, grow, and adapt where insufficient information for more conventional governance approaches is available. Specifically, the possession of trust, creativity, and teamwork on the part of the entrepreneurial actor, will enable the actor that employs them to adapt to the limitations that come with Knightian uncertainty.

A Conceptual Discussion on the Moderating Effect of Wicked Problems on Reconfigured Dynamic Capabilities Framework

Shubhabrata Basu, *Indian Institute of Management Indore*

Kajari Mukherjee, *Indian Institute of Management Indore*

In this paper, we reconceptualise dynamic capabilities (DC) as the ability of the firm to minimize exogenous and endogenous wicked problems. Since its inception, DC framework has been subjected to multiplicity of definition and conceptualization. While that rendered richness, it also resulted in some conceptual dilution and limited managerial applications. Further, some recent developments have posited the relative merit of ordinary capabilities over DC. Believing in the merit of the framework, we added the concept of wicked problem and highlighted that, left to itself, resources and capabilities moderated by wicked problems, would cease to deliver performance. However streamlining and reconfiguring the extent constructs of DC, *ceteris paribus*, is likely to overcome the effects of wicked problem and may lead to superior performance.

Strategic Insight for Strategic Renewal

Cara Maurer, *Western University*

Mary Crossan, *Western University*

Anne Miner, *University of Wisconsin-Madison*

Strategic renewal is arguably the most elusive strategic change, and its deep understanding is essential for strategy research and practice. We build process theory to explain strategic renewal as originating within the individual. We introduce "strategic insight" as a sudden solution to a complex strategic problem, targeting reconfiguration of firm resources. Strategic insight,

which occurs to individual decision makers, is an antecedent to strategic renewal. It is cognitively conceived, yet fuelled by positive emotion and creative imagination. Our theorizing explains how taking into account elements and processes at the individual level contributes a more complete and robust understanding of the strategic renewal process. We illuminate our theory building with Starbucks strategic renewal between 2008 and 2014, discuss implications, and propose opportunities for future research.

SESSION 454

ENTREPRENEURIAL CAPABILITIES

TRACK A/D	Date	Sunday, June 4
	Time	08:15 – 09:30
Common Ground	Room	Bluebell

Session Facilitator: Minet Schindehutte, *Syracuse University*

Ambidexterity in Entrepreneurial Firms: The Influence of Dynamic Capabilities

Younggeun Lee, *Iowa State University*

Patrick Kreiser, *Iowa State University*

In this study, we analyze entrepreneurship and strategic management-related concepts to further understand the role of organizational ambidexterity in enhancing competitive success. Building from organizational learning, resource-based and absorptive capacity perspectives, we argue that entrepreneurial orientation (EO), a firm's strategic posture towards balancing exploration and exploitation in the form of organizational ambidexterity. Moreover, we propose that high levels of dynamic capabilities strengthen the EO–ambidexterity relationship, which positively affects firm performance. We test the hypotheses using data collected from Korean small and medium-sized enterprises (SMEs).

Developing An Entrepreneurial Orientation: Capabilities and Impediments

Rod McNaughton, *University of Auckland*

Rakinder Sembhi, *University of Waterloo*

This paper addresses the key question posed in Track A – Entrepreneurship and Strategy: "How do organizations and managers become more entrepreneurial"? The extant literature on entrepreneurial orientation (EO) advises managers that under certain conditions an entrepreneurial orientation (EO) may lead to superior financial performance. However, little guidance has been forthcoming about how to develop an EO and the impediments that may be encountered. Data collected from senior managers in 120 Canadian firms in the ICT sector reveals four sets of capabilities that enhance EO: research, recruiting and retention, building customer relationships, and decision-making processes. The primary impediments are risk-adversity, complacency and scarcity of capital or other resources. This study provides insight into how firms can develop their EO.

Resource Management for Entrepreneurial Fitness: A Grounded Process Model

Joakim Netz, *Stockholm University*

Martina Eberl, *Berlin School of Economics and Law*

How can firms change entrepreneurial capacity? Research on dynamic capabilities have increasingly stressed the importance of analyzing entrepreneurial capacity in understanding organizational change and long-term performance of firms. On the one hand, capabilities are path-dependent which makes dynamic capabilities vulnerable to the problem that they should resolve. On the other hand, when agency is brought into the equation – particularly by drawing on strategic entrepreneurship research, the evolutionary logic holds potential to explain entrepreneurial fitness. Despite this, theorists have insofar ignored the concept. We conducted longitudinal case research and inductively grounded a process model. It suggests that exchanges between resources management processes explains how and why entrepreneurial fitness occurs.

From Dinosaurs to Business Model Masterminds: Entrepreneurial Capabilities of Small Business Managers

Jessica Schmeiss, *Alexander von Humboldt Institute for Internet and Society*
 Martina Dopfer, *Alexander von Humboldt Institute for Internet and Society*
 Roman Sauer, *University of St. Gallen*
 Katharina Hölzle, *University of Potsdam*

Small and medium businesses are a hot topic for academia. They are vitally shaped by their managers. While scholars agree that the entrepreneur’s cognition is a crucial driver for business model innovation (BMI), little is known about the differences between small business managers and venture entrepreneurs when it comes to BMI. This article provides first empirical evidence on the cognitive underpinnings of BMI for small business managers. First, it shows that cognitive capabilities drive opportunity recognition for BMI through sensing, seizing, and reconfiguring. Second, it establishes cognitive capabilities to act on opportunities. Third, it suggests that small businesses and entrepreneurs differ in their cognitive BMI capabilities. Finally, it proposes four cognitive archetypes that are expressed by different levels of entrepreneurial capabilities.

Enhancing Gender Empowerment by Microfinance Institutions: International Evidence

Aloysius Newenham-Kahindi, *University of Saskatchewan*
 Zhenyu Wu, *University of Manitoba*
 Jialong Li, *University of Manitoba*

Using an exploratory qualitative method on gender empowerment by microfinance institutions (MFIs) in rural eastern Rwanda and western Tanzania, we test our finding by using information extracted from Microfinance Information Exchange (MIX) database with a purpose of (1) examining their validity and (2) adding nuances to existing MFIs literature in a developing country’s context. Our research focus on gender empowerment services by MFIs addresses an important topic yet remains underexplored field in our case study context. While our findings provide support for existing MFIs research on alleviating poverty we also find additional factors related with outreach programs and gender affinity playing an important role on empowerment services. We also contribute to our understanding of this topic by developing hypotheses through the use of homophily theory.

SESSION 481

DIGITAL ECOSYSTEMS AND CAPABILITIES

TRACK B	Date	Sunday, June 4
	Time	08:15 – 09:30
Paper	Room	Hawthorn C

Session Chair: Frank Elter, *Telenor Group*

Strategic Complementarity in Digital Ecosystems

Pek-Hooi Soh, *Simon Fraser University*
 Tao Wang, *Simon Fraser University*
 Simon Ford, *Simon Fraser University*

This research is to explain how firms create and capture value in an ecosystem of interconnected markets for complementary goods in the digital economy. We argue that firms with dynamic capabilities to leverage strategic complementarity in adjacent markets will likely succeed as a complementor in shaping or redefining the dominant design of the incumbent innovation. Furthermore, a complementor that is able to control its specialized assets across the adjacent markets will be positioned to appropriate more value from the final good. We provide evidence from the digital ecosystems of smartphone, online payment, and additive (3D) manufacturing to support our general proposition. We contribute to the nascent field of ecosystem research by developing a conceptual model of ecosystem value chain and a new perspective on competition.

How Big Data Analytics Changes the Practice of Strategy When Navigating Times of Disruptive Innovation

Mark van Rijmenam, *University of Technology, Sydney*
 Tatiana Erekhinskaya, *Lymba Corporation*
 Jochen Schweitzer, *University of Technology, Sydney*
 Mary-Anne Williams, *University of Technology, Sydney*

Ambidextrous organisations focus on developing dynamic capabilities to remain competitive in rapidly changing environments. Yet, they also need to detect and anticipate unknown unknowns, also known as ‘Black Swans’, which when ignored may lead to competitive struggles. In this paper we argue that Big Data analytics provides a promising perspective to uncover and respond to Black Swans. While known to shift the power balance, Big Data analytics enables a better understanding of business context, which can help anticipate, cope with and respond to industry disruption. In this meta-study we aim to contribute to the understanding of those organisational characteristics that support entrepreneurial thinking. We analyse 201 peer-reviewed articles that examine the impact of big data analytics on organisations, using semantic analytics and NLP.

The Process on How an Incumbent Company Creates and Exploits its Dynamic Capabilities

Torben Pedersen, *Bocconi University*
 Angels Dasi, *University of Valencia*
 Frank Elter, *Telenor Group*
 Paul Gooderham, *Norwegian School of Economics*

In this paper we will study how dramatic changes in an industry – telecom – force a company to extend and apply its dynamic capabilities. As such we are conducting a longitudinal case-study of a company – the Norwegian MNC Telenor – that exploits its dynamic capabilities in order not to be pushed down the value chain by the digital transformation of the telco-industry. In August 2015, Sigve Brekke, was appointed as CEO and he immediately revisited the company’s direction. We are following these changes in decision-making and strategic choices made by the top-management to apply and further develop the dynamic capabilities of the firm.

Economies Without Scale: Lifecycle Dynamics of IT Investment, Productivity, and Survival in Young Firms

Kristina McElheran, *University of Toronto*
 Wang Jin, *MIT*

Our understanding of the role of information technology (IT) in productivity and firm dynamics has historically been limited to activities in large – often public – firms. An essential swath of the firm age and size distribution remains missing from our conceptualization of how diverse organizations take advantage of new technologies to innovate, grow and thrive over their lifecycle. Taking advantage of detailed non-public Census micro data, we document that young firms have different IT investment patterns from old ones, and that they enjoy disproportionate productivity, growth, and survival benefits through purchased IT services – such as Cloud Computing. Moreover, the growth-oriented firms shift towards accumulated IT capital – and more sustained IT productivity benefits – as they gain scale over time.

SUNDAY 08:15 – 09:30



SESSION 468

DYNAMIC CAPABILITIES AND MNE SUBSIDIARIES

TRACK C	Date	Sunday, June 4
	Time	08:15 – 09:30
Paper	Room	Hawthorn B

Session Chair: Helene Loe Colman, *BI Norwegian Business School*

Entrepreneurial Subsidiary Top Managers: Factors Influencing Independent Subsidiary Initiatives

Arron Fraser, *Case Western Reserve University*

Subsidiary top managers and their pursuit of independent subsidiary initiatives similar to maverick initiatives is an area of international subsidiary management which is grossly under-researched. A qualitative research recently conducted confirmed the prevalence of this phenomena is a context normally known for his compliance with headquarters way of working. This was a revelation worth quantitative confirmatory research. The elucidating of this phenomena can present multinationals headquarters with an understanding of how to maximize the benefits and or minimize the potential downsides. The quest to understand why, how and when subsidiary top managers engage in these practices are worth investigating at this juncture.

Entrepreneurial Deficits in MNE Subsidiaries: Opening the Black Box

Birgitte Groggaard, *BI Norwegian Business School*

Rong Zeng, *University of Calgary*

Liena Kano, *University of Calgary*

In this study, we examine the failure of multinational enterprises (MNEs) to achieve local responsiveness, also referred to as entrepreneurial deficits. We discuss how such entrepreneurial deficits can occur by drawing upon the dynamic capabilities literature and the concept of bounded reliability. We use eBay's entry into China to illustrate how bounded reliability at headquarters hinders the MNE from addressing local needs. For eBay, this leads to competitive disadvantages even though it entered the market through an acquisition of a firm with intimate knowledge of, and great success in, the local market. We provide an extended explanation at the microfoundational level for entrepreneurial deficits at the time of new market entry by combining the dynamic capabilities perspective with bounded reliability.

Unintended Reverse Knowledge Transfer from Subsidiaries to Headquarters

Shigemi Yoneyama, *Gakushuin University*

Sarah Cheah, *National University of Singapore*

In this paper, we investigate the situation of knowledge creation in foreign subsidiaries of multinational enterprises (MNEs) and examine the impact of unintended reverse knowledge transfer from subsidiaries to parents on the latter's R&D activities. Based on a questionnaire survey of more than 3,000 Japanese MNEs with overseas subsidiaries, our results reveal that the degree of knowledge transfer from foreign subsidiaries have a significant and positive impact on parents' R&D activities in all performance measures, regardless of the knowledge type. We establish an inverse U-shaped relationship between unintended reverse knowledge transfer and R&D performance of parents. Empirically, we show the degree of unintended knowledge creation is a significant factor of the degree of unintended knowledge transfer.

Building Dynamic Capabilities for Organizational Flexibility in MNEs to Combine Global Integration and Local Responsiveness

Birgitte Groggaard, *BI Norwegian Business School*

Helene Loe Colman, *BI Norwegian Business School*

Inger Stensaker, *Norwegian School of Economics*

The inherent nature of multinational enterprises (MNEs) with geographically spread organizational units exposes them to multiple institutional, legal, cultural and competitive pressures. For most MNEs, a narrow focus on global integration or local responsiveness does not sufficiently address these multiple demands. However, many organizations struggle to combine global integration with local responsiveness. The main challenge of this strategic duality is the fundamental difference in underlying assumptions for achieving competitive advantages. Yet, we have limited insights into how modern MNEs successfully combine integration and responsiveness. In this study, we follow the trial and errors of a European MNE. We identify the importance of going beyond ordinary integration mechanisms and develop dynamic capabilities for organizational flexibility.

09:30 – 10:00

COFFEE BREAK (WILDROSE PREFUNCTION)

SESSION 452

ENTREPRENEURIAL RESOURCES

TRACK A	Date	Sunday, June 4
	Time	10:00 – 11:15
Paper	Room	Hawthorn C

Session Chair: Benjamin Campbell, *Ohio State University*

Early Stage Entrepreneurs and the Development of Dynamic Capabilities: Evidence from Google App Developers

Ryan Angus, *University of Utah*
 Lyda Bigelow, *University of Utah*
 Amit Pazgal, *Rice University*

In this paper we ask a population of early-stage entrepreneurs questions how they will govern the acquisition of a key knowledge-based resource in the setting of the Google Play app store. We compare entrepreneurs with different levels of past experience and identify promising evidence that some founders learn how to settle questions of governance more effectively than others. We conjecture that these results highlight the emergence of a type of dynamic capability- a dynamic governance capability- and that this capability is of critical importance to the viability of early-stage start-ups. We draw on both the dynamic capabilities and transaction cost literatures to guide our research.

The Interplay Between Entrepreneurial and Dynamic Capabilities: A Study of Chinese Startups' Innovation Activities

Olga Bruyaka, *West Virginia University*
 Christiane Prange, *Tongji University*
 Shouming Chen, *Tongji University*

Innovation has become one of the major buzzwords in the Chinese economy with the government increasing the incentives to support entrepreneurs. Possessing entrepreneurial capabilities (ECs) has been critical for many Chinese start-up companies to launch their businesses. At the same time challenges related to the renewal and change of new ventures' resource base required at later stages of their business development point to the importance of dynamic capabilities (DCs). In the present article we empirically study how ECs and DCs influence Chinese companies' innovation activities, and how ECs and DCs intersect in terms of their underlying micro-foundations during the process of company growth, the research questions that so far have been little explored.

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 heterogeneity of founders' pre-entry knowledge and their pre-entry performance affects variability in the performance of high technology startup firms. We argue that cross-industry founders will have higher pre-entry earnings than within-industry founders because they have to substitute for the lack of industry-specific human capital with their own endowments. We then examine how these two dimensions (within-industry experience and pre-entry performance) interact to explain not only differences in survival, but also differences in growth rates of the startups. In doing so, we argue that selection mechanisms differentially shape the distribution of new venture performance outcomes of within industry and across industry founders. We find support for these ideas using comprehensive Census microdata from the United States.

Guardian Angels and Information Acquisition: How Angel Groups Overcome High Uncertainty and Limited Capabilities

Suho Han, *University of Texas at Austin*
 Melissa Graebner, *University of Texas at Austin*

Angel investor groups are an important source of resources for early-stage entrepreneurial firms yet they lack specialized capabilities and resources to evaluate and assess investment opportunities while facing high levels of uncertainty. Given limited prior research, we explore how angel groups attempt to overcome these challenges using an inductive multiple-case study of eight angel investor groups. Our findings reveal an important role played by guardian angels, angel group investors who develop relational commitment to a venture seeking funding. The initial commitment of these angels lead to path dependent behaviors that facilitate the acquisition of additional information on a venture while leveraging the expertise of internal angel group members. Overall, we contribute to the literature on entrepreneurial resource acquisition while providing broader implications for dynamic capabilities.

SESSION 466

CAPABILITIES IN CONTEXTS: WHERE CONTEXT IS IMPORTANT

TRACK A/B	Date	Sunday, June 4
	Time	10:00 – 11:15
Common Ground	Room	Bluebell

Session Facilitator: Xavier Martin, *Tilburg University*

University Leadership and Entrepreneurial Performance: An Empirical Investigation from the Dynamic Capabilities Perspective

Mehmet Yildiz, *Ankara Yildirim Beyazit University*
 Ihsan Aytekin, *Social Sciences University of Ankara*
 Tuncer Asunakutlu, *Ankara Yildirim Beyazit University*
 Mehmet Barca, *Ankara Social Sciences University*
 Semih Ceyhan, *Ankara Yildirim Beyazit University*
 Ismail Cagri Dogan, *Ankara Yildirim Beyazit University*

Drawing on the recent work of Leih and Teece (2016) this paper aims to investigate the link between university leadership and the university's entrepreneurial performance from the dynamic capabilities perspective. We seek to answer two fundamental questions: (i) How do university leaders/presidents make their universities become entrepreneurial? (ii) What dynamic capabilities of university leaders drive superior performance? To this end, the paper collects primary and secondary data from five public universities and five private universities in Turkey through in-depth interviews with university rectors and analyzing archival data, media news and magazines.

Lean Welfare Ecosystems

Johan Wallin, *Synocus Group*

The health care sector is shifting its focus from organizations and professionals to citizens and value co-creation. This asks for an architected approach to reconfigure ecosystems and markets in collaboration with external stakeholders. In Finland, Eksote, the public social and health care service provider in the South Karelia Social and Health Care District, has emerged as the forerunner in this transformation. Through action research this paper analyses how Eksote has influenced the reconfiguration of the whole welfare ecosystem in its region. By using two frameworks, the Capability Map and the Excellence Framework, it is possible to integrate the entrepreneurial and capability building requirements put on an orchestrator co-creating new lean ecosystems.

SUNDAY 10:00 – 11:15



Barriers to the Development of Dynamic Relational Capabilities: The Case of Business Schools

Patrick Loux, *Normandy Business School*

Jean-Denis Culie, *Normandy Business School*

The purpose of this paper is to identify the barriers that impede the development of relational dynamic capabilities from two case studies undertaken in the context of Business Schools. Specifically, our study suggests that these barriers operate at each of the sensing, seizing and transforming asset orchestration processes proposed by Teece. Moreover, these barriers belong to three distinct categories: structural, cognitive and social. The sensing and seizing processes are mainly exposed to structural and cognitive barriers while mainly social barriers have been identified within the transforming process. Overall, our study offers an original perspective on microfoundations by focusing on barriers rather than positive enablers, and lends further empirical support to the relevance of the concept of relational dynamic capabilities in the empirical context of Business Schools.

Dynamic Capabilities in the Public Sector: A Study of the Municipal Sector

Petter Gullmark, *Nord University*

The last decade has brought a resurgence of interest in the issue of innovations in the public sector. Despite the increased attention among the researchers to the phenomenon in question, there is still a number of areas within the discussed field, which need to be more thoroughly explored. One of such aspects is the ability of the public sector to change and renew its resources, processes and routines. Therefore, the examination of the role, which dynamic capabilities can play in innovation processes in public organizations, appears to be of the essence. Finally, there is little insight into the relationship between the dynamic capabilities and performance of public sector organizations. The aim of my study is to fill the identified gaps.

Learning to Transform Operations at the LAS: A Partnership Between NSA, NCSU, and Industry

Beverly Tyler, *North Carolina State University*

Deborah Dougherty, *Rutgers University*

The National Security Agency (NSA) has established a strategic partnership with NC State University (NC State) called the Laboratory of Analytic Sciences (LAS) to address big-data problems related to national security and promote new advances in the science of analysis. This study, grounded in behavioral theory and practice theory, seeks to understand how complex organizations like NSA leverage interdisciplinary scientific projects with strategic partners in academia and industry to transform learning in their core operations. Using a qualitative, process approach based on interviews we 1) tease out how learning routines within and across levels absorb new knowledge; 2) assess the specific practices used to overcome inevitable conflicts; and 3) consider the style of learning used to overcome bounded rationality and deal with noisy, fragmented knowledge.

Tacit Learning, Absorptive Capacities, and Firm Innovation in University-Firm Technology Transfer

Aurora Liu, *York University*

This study constructs a contingency model of technology transfer ties, knowledge qualities, and innovation. During university-firm technology transfer, the universities provide direct knowledge access to the firms, and play an intermediary role that bridges indirect knowledge spillover between different firms. These direct university ties and indirect firm ties afford a focal firm tacit learning opportunities, which can enhance its subsequent innovation performance. The effectiveness of tacit learning depends on firm absorptive capacities. Since absorptive capacity development is path-dependent, I postulate that prior knowledge qualities (i.e. technological complexity, originality, and generality) leave imprinting effects on firm absorptive capacities. Prior firm knowledge qualities thus moderate the effects of inter-organizational ties on subsequent innovation performance of technological firms. I test the hypotheses using records from USPTO in 1975-2012.

SESSION 477

KNOWLEDGE SOURCES AND LEARNING

TRACK B

Date Sunday, June 4

Time 10:00 – 11:15

Paper

Room Hawthorn B

Session Chair: Thorsten Fischer, *Helmut Schmidt University*

Dynamic Capabilities and Organizational Learning: Insights from Dynamic Routines

Adriana Roseli Wunsch Takahashi, *Federal University of Paraná*

Marcos Vinícius Pereira Corra, *Federal University of Paraná*

In this theoretically oriented paper we examine the relationship between dynamic capabilities, routines, and organizational learning. Adopting routines as a level of analysis can contribute to understand where the 'dynamic' is situated inside the "blackbox" of dynamic capabilities. Dynamic capabilities involve the reconfiguration of resources that demand change in organizational routines. There is a recursive process between routines and learning which allows highlighting a potential contribution to understand dynamic capability through creation, absorption, integration and reconfiguration of knowledge. The reconfiguration of resources can be analyzed through the verification of changes in the routines and through process of institutionalization and deinstitutionalization of knowledge.

The Merits of Playing It by the Book: Organization Structure and Dynamic Capabilities

Felix Arndt, *University of Roehampton*

Sebastian Fourné, *Wilfrid Laurier University*

Kieran MacInerney, *Ernst & Young*

This study investigates the nature of dynamic capabilities and use a fine-grained measurement to test how centralization, routinization, and formalization relate to the underlying learning components of dynamic capabilities. We find that the effects of organization structure are broadly similar for almost all components of dynamic capabilities, and that only a few show a different pattern. Centralization and routinization are negatively related to dynamic capabilities, formalization is shown to have a significantly positive effect. We provide insights into the role that organization structure plays in explaining variation among the learning components of dynamic capabilities. This has implications for the nature and development of dynamic capabilities as well as for the routine versus deliberate learning debate.

Keeping Up with the Joneses: Does Rivalry Encourage Market Entry?

I-Chen Wang, *Suffolk University*

Russell Seidle, *Suffolk University*

Given the peril associated with entrepreneurial entry into new product sectors, organizations would be expected to seek out a variety of sources of expertise to improve their fortunes. This expertise may arise internally as a result of the firm's first-hand experience with key technologies and processes germane to the workings of the new industry. Alternatively, the firm may look outside to relevant peers to serve as exemplars, gleaming relevant insights from activities and outcomes observed at a relative distance. We seek to define the importance of both experiential and vicarious learning in the context of competitive entry into a newly emerging product market. Our examination involves an analysis of the two-wheeler industry of the electric scooter market in Taiwan.

Localizing Dynamic Capabilities Within Self-organized Communities of Practice: A Meta-Synthesis

Florian Andresen, *Helmut Schmidt University*
 Benjamin Schulte, *Helmut Schmidt University*
 Thorsten Fischer, *Helmut Schmidt University*
 Hans Koller, *Helmut-Schmidt-University*

There is a need to develop further understanding of dynamic capabilities in relation to theory and practice at micro levels. By adding the concept of informally embedded dynamic operative capabilities, we show that self-organized forces within organizations could play a major role in the ability to adapt to changing environmental conditions. Thus, this perspective is considered a complement to the concept of dynamic managerial capabilities. The research methodology uses a meta-synthesis of case studies of communities of practice. First impressions from the data show, that communities at the operative level might act as quasi managerial teams making decisions that impact the whole organization aligned to sensed environmental changes and that these informal entities could be seen as a manifestation of dynamic capabilities.

SESSION 472

NEW CONCEPTUAL PERSPECTIVES

TRACK A/C	Date	Sunday, June 4
	Time	10:00 – 11:15
Paper	Room	Hawthorn A

Session Chair: Shaker Zahra, *University of Minnesota*

Making Dynamic Managerial Capabilities Actionable

Shaker Zahra, *University of Minnesota*
 Barbara Larraneta, *Pablo de Olavide University*

Recent research underscores the importance of dynamic managerial capabilities (DMCs) for a firm's competitive advantage. These capabilities explain differences in managerial decisions intended to bring about strategic change, providing a basis for understanding heterogeneity in organizational performance. Absent from the literature is a systematic discussion of how to make the DMC more actionable, thus giving it more potency in effecting organizational change, adaptation and evolution. This submission discusses ways to make the concept accessible to researchers and executives, thereby enhancing its theoretical and practical usefulness. We structure our discussion around the following three themes: (1) logic and content of DMCs, (2) conditions leading to actionable DMCs, and (3) changes in research directions on DMCs.

Linking Corporate Entrepreneurship and Dynamic Capabilities Towards Overarching Framework

Asta Pundziene, *Kaunas University of Technology*
 Solveiga Buoziute, *Kaunas University of Technology*
 Lolita Jurksiene, *Kaunas University of Technology*

Numerous scholars attempted to define and test the linkages between corporate entrepreneurship and dynamic capabilities. Yet, every attempt to measure corporate entrepreneurship impact on dynamic capabilities (or vice versa) has been proven to be tautological. The aim of this paper is to analyze in-depth the research of corporate entrepreneurship and dynamic capability and to set a conceptual framework illustrating their linkages. Authors argue that corporate entrepreneurship and dynamic capabilities are concepts of a different order and thus should not be analyzed as independent phenomena. Furthermore, the corporate entrepreneurship concept falls under the dynamic capability view as one of the significant variables and indicators of the dynamic capability. In turn, dynamic capabilities indicate that competitive advantage of the firm might be achieved through corporate entrepreneurship activities.

Recombination Capabilities: Resource Complementarity and Firm Interdependency

Elena Beleska-Spasova, *University of Reading*

The focus of the proposed study is on firm-specific capabilities required for superior value creation by effective recombination of internal resources and external complementary assets. The study proposes an exploration of how a firm engages systematically in the essential entrepreneurial resource recombination when expanding and operating internationally. Building on new internalization theory and dynamic capabilities perspective, the study investigates the recombination capabilities required to manage complex interdependences (unilateral, bilateral or multilateral) created by bundling of core firm-specific advantages with a variety of complementary resources (specialized, co-specialized and generic) accessible (or not) in a range of markets.

The Dark Side of Social Integration: Knowledge Transfer, Bargaining, and Social Integration Mechanisms

Sverre Tomassen, *BI Norwegian Business School*
 Randi Lunnan, *BI Norwegian Business School*
 Ulf Andersson, *Malardalen University*
 Gabriel R G Benito, *BI Norwegian Business School*

We study the implications of social integration in multinational enterprises (MNEs). The generation and transfer of knowledge among geographically dispersed units is one of the primary concerns for the MNE. One of the most used tools to stimulate knowledge transfer between subsidiaries is social integration mechanisms, which are perceived as more costly than alternative mechanisms, i.e. formal or centralized coordination. A range of studies have found that social integration mechanisms stimulates communication, dialogue and trust which in turn facilitate knowledge sharing and capability development. In a study of an MNE, preliminary findings suggest that social integration increases knowledge transfer, but also bargaining costs indicating a darker side of social integration that warrants more scholarly attention.

SUNDAY 10:00 – 11:15



SESSION 487

MAKING DYNAMIC CAPABILITIES ACTIONABLE IN ENTREPRENEURSHIP AND STRATEGIC MANAGEMENT RESEARCH

TRACK PLE	Date	Sunday, June 4
	Time	11:30 – 13:00
Plenary Panel	Room	Wildrose Salon C

Session Leader

Alain Verbeke, *University of Calgary*

Panelists

Mary Crossan, *Western University*

Robert Hoskisson, *Rice University*

Shaker Zahra, *University of Minnesota*

Maurizio Zollo, *Bocconi University*

In this session, Shaker Zahra will address the use of dynamic capabilities concepts in the literatures on entrepreneurship and strategic management. He will explore how the gap between state-of-the-art empirical research and managerial practice can be bridged, and will advance an agenda for making dynamic capabilities concepts actionable when used by entrepreneurship and strategic management scholars. Mary Crossan will discuss how contemporary thinking on leadership, improvisation ('where planning meets opportunity') and organizational learning could enrich the dynamic capabilities research agenda, and how such an extended research agenda could be operationalized in empirical work. Robert Hoskisson will focus on the paradox of context dependency of dynamic capabilities, and the implications thereof for empirical research. Maurizio Zollo will assess the links between dynamic capabilities and the much-studied concepts of deliberate learning and routines. Alain Verbeke will provide his personal assessment of the potential value added of the many suggestions by the plenary speakers that could further improve empirical work on dynamic capabilities.



ALAIN VERBEKE holds the McCaig Research Chair in Management at the Haskayne School of Business, University of Calgary. He also serves as Research Director of the Strategy and Global Management Area, and the Human Resources and Organizational Dynamics Area in the Haskayne School. He was recently appointed as the Inaugural Rugman Memorial Fellow at the Henley Business School, University of Reading (UK). Alain Verbeke has authored or edited 30 books and more than 200 refereed publications. He has been a member of the European Science and Technology Assembly (ESTA) and has served on the board of directors of various educational and research institutions. Alain Verbeke's academic research agenda consists of revisiting, rethinking and augmenting the core paradigms in strategic management and international business, especially internalization theory. Alain Verbeke serves on the Editorial Board of several journals, and has been Editor of the *Journal of International Business Studies*.



MARY CROSSAN is a Distinguished University Professor and Professor of Strategic Leadership at the Ivey Business School, Western University. Her research on leadership character, organizational learning and strategic renewal, and improvisation is published in the top management journals. The book "Developing Leadership Character" is a culmination of the team's research on leader character. In a joint venture with The Second City, she developed a management video entitled *Improvise to Innovate*. She has been identified as one of the top 40 case-writers in the world with her Starbucks business case selling over 100,000 copies to business schools worldwide.



ROBERT HOSKISSON is the George R. Brown Chair of Strategic Management at the Jones School of Business at Rice University. His research topics focus on corporate strategy and governance and he teaches courses in corporate and international strategic management, among others. He has co-authored over 20 books including *Strategic Management: Globalization and Competitiveness (11th Edition)*, *Competing for Advantage (2nd Edition)* and *Understanding Business Strategy (3rd Edition)*. He was recently ranked among the top scholars in business and economics by the *Times Higher Education* for the number of papers with over 50 citations. He has served on the Board of Directors and is currently the Past President and a Fellow of the Strategic Management Society.



SHAKER ZAHRA is the Chair of the Strategic Management & Entrepreneurship Department, Robert E. Buuck Chair of Entrepreneurship and Professor of Strategy and Entrepreneurship in the Carlson School of Management at University of Minnesota, where he is also the Academic Director of Gary S. Holmes Entrepreneurship Center. Professor Zahra's research focuses on entrepreneurship, capabilities and learning, especially in global technology-based companies and industries. Widely published, his research has received several honors, grants and awards. He has served on the review boards of leading academic journals.



MAURIZIO ZOLLO is the Dean's Chaired Professor in Strategy and Sustainability at the Management and Technology department of Bocconi University and Editor-In-Chief of *Organization & Environment*. A Fellow of SMS, he chaired the Innovation & Knowledge, as well as the Behavioural Strategy IG. He also co-founded and chaired the Stakeholder Strategy IG. His research aims to understand how business organizations learn to grow and adapt to environmental turbulence, and how managers can guide these evolutionary processes through the combined use of strategic growth initiatives and organizational change, innovation and learning processes. He currently directs the Global Organizational Learning and Development Network (GOLDEN) for Sustainability (www.goldenforsustainability.com) and a second program on the neuro-scientific foundations of managerial decisions.

13:00 – 14:00

LUNCH (WILDROSE SALON A)

SESSION 456

EVOLUTION AND ADAPTATION

TRACK A	Date	Sunday, June 4
	Time	14:15 – 15:30
Common Ground	Room	Bluebell

Session Facilitator: Lyda Bigelow, *University of Utah*

Evolutionary Trajectories of Capability Portfolios

Sarah Park, *King's College London*
Shaker Zahra, *University of Minnesota*

The capability perspective suggests that firms develop and use different portfolios of capabilities in pursuing competitive advantage. In this paper, we examine how firms configure and exploit different mixes of capabilities to respond to and take advantage of opportunities in their external environment and the trajectories of sequence of changes that might occur in these portfolios over time. The study clarifies the role of capability portfolios' evolutionary sequences in inducing firm heterogeneity, a cornerstone of competitive advantage.

Organizational Development and Adaptation: Harnessing Employees' Entrepreneurial Thinking for Organizational Capability Development

Stoyan Stoyanov, *University of Strathclyde*
Veselina Stoyanova, *Univeristy of Strathclyde*

The proposed study adopts strategic human resource management (SHRM) lenses and investigates how particular experimental human resource training practices targeting new employees can stimulate entrepreneurship and the characteristics stemming from it, namely, ongoing strategy development and adaptation of a company. The careful qualitative examination of the selected case, a Chinese company leader in the coal industry, resulted in rich emergent data that shed more light on how companies can calibrate their human resource (HR) practices for the purpose of capitalizing on employees' social capital. Looking closely at the established model of operation, together with its dynamic information/knowledge processing capabilities, provides an insightful account of the observed reality and HR managers' attempts to harness employees' entrepreneurial thinking for realizing organizational competitive advantage.

Dynamic Capabilities and Supplier Firm Growth

Ricarda B. Bouncken, *University of Bayreuth*
Siggi Gudergan, *University of Newcastle*
Martin Ratzmann, *University of Bayreuth*

Growth is a kernel of the dynamic capability view. Nonetheless there are few studies examining empirically how dynamic capabilities influence firm growth and specifically not how dynamic capabilities allow growth from inter-firm relationships. This paper develops and tests a model of hypotheses concerning how supplier firms can increase growth by using their strategic innovation capacity and their customer requirement specification capability. Specific conditions of trust and dependency between buyer and supplier firms shape these effects and foster or reduce supplier firm's growth.

Dynamic Capabilities: Linking Strategy, Organizational Innovation and Corporate Financial Performance

John Oliver, *Bournemouth University*

The advent of digital technologies has transformed the way many media organizations have conducted their business over the past two decades. This transformational context raises two important questions for strategic management researchers. Firstly, how have media firms adapted their strategies and reconfigured their resources and capabilities to the challenges presented by an increasingly digital environment? Secondly, how have these adaptive practices affected corporate financial performance? This paper will present the findings on how two media organisations dynamically adapted their strategies, resources and capabilities to produce long-term and superior financial performance. This multi-method research used a qualitative content analysis of corporate Annual Accounts & Reports, and quantitative analysis of Corporate Financial ratios in a longitudinal study between 1995 and 2015.

Developing Dynamic Synchronization Capabilities in a Dual Innovation Context

Yen Tran, *Heriot Watt University*

This study examines a specific dynamic capability—a dynamic synchronization capability that allows firms to coordinate its product development and sourcing activities in a dual market context. In-depth longitudinal fashion case study shows that this process of dynamic synchronization capability development is multi-stage process that unfolds across different organizational levels. The development of dynamic capability goes through a maturation process via co-evolution of multi level learning processes. The study underlines the role of human agency in the alignment of interest and cognition of other actors. It provides evidence of how entrepreneurial thinking of designers and top managers in sensing and seizing the fashion trend affects their managerial practices, including their ambidextrous organization design and synchronization of sourcing activities of two competing product development teams.

Exploring the Mediating Role of Adaptive Capabilities on Strategic Orientation-Firm Performance Linkages: Evidences from India

Shubhabrata Basu, *Indian Institute of Management Indore*
Pradeep Kumar Mishra, *Indian Institute of Management Indore*

In this study, we investigate the mediating role of adaptive capabilities in strategic orientation – firm performance linkages in the context of India, an emerging economy. Data from 218 firms are collected through survey questionnaire to provide the empirical evidences. Our findings posit that proactiveness, analysis and futurity dimensions of strategic orientation are significant contributor to firm performance. Similarly, excepting for technological adaptive capabilities, all dimensions of adaptive capabilities are associated with performance with non-market (regulation related) capabilities being the most important mediator to strategic orientation-firm performance linkages.

SESSION 480

INVESTING IN INNOVATION AND CAPABILITIES

TRACK B	Date	Sunday, June 4
	Time	14:15 – 15:30
Paper	Room	Hawthorn C

Session Chair: David Deeds, *University of St. Thomas*

Toward a 'Pecking Order' Theory of Strategic Resource Deployment

William Schulze, *University of Utah*
David Deeds, *University of St. Thomas*

An important source of competitive advantage for firms is the ability to assemble strategic resources and put them to their best use. However, doing so is challenging because the acquisition process exposes those resources to risks of expropriation. Drawing on pecking order logic from finance, this study argues that adverse selection and opportunism influence firm conduct by (1) giving firms incentive to pursue growth opportunities they can fund on their own, and (2) shaping the selection of external resource providers when pursuing opportunities that do require additional resources. A pecking order theory of strategic resource deployment and partner selection is implied. Data from a 22-year sample of cross-border investment partnership decisions made by U.S.-based venture capital firms provide support for our theory.

SUNDAY 14:15 – 15:30



The Diffusion of Knowledge Dependence Through Cross-National Venture Capital Investors

Elisabeth Berger, *University of Hohenheim*

Michael Howard, *Texas A&M University*

Prior research has established the role of venture capitalists in providing financial resources, access to professional advice, and support in the development and commercialization of innovations from their portfolio firms. It has not established how indirect ties between VC portfolio firms may lead to greater dependence on each other's knowledge, or how VC investors may play an important role in shaping knowledge ties across national boundaries, facilitating the diffusion of innovations to entrepreneurs in a global context. Through a parallel sample of VC-backed biotech ventures in the US and in Germany, we explore how intranational and international investment ties impact innovation. Our results contribute to a broader understanding of the connection between innovation and entrepreneurial opportunity and help extend the emerging theory of knowledge dependence.

Measuring a Firm's Capability Investment Space

Susanne Koster, *IESE Business School*

Studies on a firm's capability investments often use distance metaphors to position the new capabilities relative to the firm's existing capabilities. Prior literature has proposed several distance measures, but it has not yet discussed how these distance measures can be used to capture a firm's capability investment space. This may lead to challenges for testing predictive theory that rely on this concept. I aim to develop and test a measure that captures a firm's capability investment space. In particular, I discuss several issues with the current distant measures and I propose a dynamic measure that captures a firm's capability investments in a technological and a market dimension. The measure is tested in a setting of corporate venture capital investors in the chemical industry.

Dynamic Corporate Innovation Capability

Zdenek Necas, *Western University*

Innovation capability in a multidivisional firm has been traditionally assumed to be contained within the business unit level with corporate managers assuming a passive role through periodic resource allocation decisions. This paper explores a more active view of the role corporate managers play in the management of innovation in a multidivisional firm. This ability of corporate managers to actively influence how innovation occurs within their firms is called the Dynamic Corporate Innovation Capability. Using a hand collected dataset comprised of longitudinal overviews of the involvement of corporate managers in the intra-organizational innovation management in 20 large multidivisional firms, author of this paper elaborates inductively a process model of the creation and deployment of the Dynamic Corporate Innovation Capability.

SESSION 474

FOREIGN MARKET ENTRY

TRACK A/C	Date	Sunday, June 4
	Time	14:15 – 15:30
Paper	Room	Hawthorn A

Session Chair: Won-Yong Oh, *University of Calgary*

How Do Family Firms Enter Foreign Markets? Firm-Specific Advantages, Regional Integration and Entry Mode Choice

Won-Yong Oh, *University of Calgary*

Jenny Hillemann, *Free University of Brussels*

Alain Verbeke, *University of Calgary*

This study examines the impact of family firm (FF) status on entry mode choice in foreign subsidiaries. Using a sample of entry mode decisions by Belgian firms, we find, in contrast with mainstream IB theory, that FFs are more likely to use joint ventures (JVs) as preferred entry mode, when they have stronger FSAs since strong FSAs, if tied to heritage assets, provide more intrinsic protection against opportunism. Furthermore, the positive

relationship between the marketing strengths of FFs and JVs is stronger for foreign entries located outside of the EU, because complementary resources of external partners become much needed for recombination with inflexible, but otherwise well-protected, heritage assets in the marketing sphere. Our study contributes to research on both firm internationalization and family business.

Shifting the Upside-Downside Trade-Offs of Mode Flexibility: Exemplifying How Entrepreneurial Thinking Morphs into Dynamic Capabilities

Bent Petersen, *Copenhagen Business School*

Gabriel R G Benito, *BI Norwegian Business School*

Lawrence Welch, *Melbourne Business School*

Changing and diversifying foreign operation modes usually have some downsides, either in the form of extra costs of contracting and coordinating or loss of sales revenue due to lower commitment by the local partner. In other words, the benefits of 'mode flexibility' tend to be traded off against extra transactions costs and/or lower revenue, unless the entrant firm is able to introduce trade-off shifting mechanisms that maintain the upsides of mode flexibility while curbing, or even eliminating, the downsides (the extra transaction costs and revenue losses). Such trade-off shifting mechanisms would, to the extent they are successfully implemented, make part of the dynamic capabilities of the entrant firm.

Using and Disposing of Joint Venture Partners to Appropriate Foreign Resources

Jan Hendrik Fisch, *WU-Vienna*

Bjorn Schmeisser, *WU-Vienna*

Accessing resources locally and sharing them globally are central tenets of global strategy. However, local access and cross-border transfer of resources rests on balancing the conflicting requirements for external vs. internal embeddedness. This study advances the view that MNCs first use local joint venture partners to cater to the requirements of external embeddedness and access local resources, whereas they later dispose of their partners to increase internal embeddedness for resources sharing with sister affiliates. Moderated-mediation regressions on a sample of German MNCs lend support to the hypotheses. Panel regressions confirm the increased resource sharing with other MNC affiliates upon disposal of the local partner.

Are SMEs with Immigrant Owners Exceptional Exporters?

Horatio Morgan, *Ryerson University*

Sui Sui, *Ryerson University*

Matthias Baum, *University of Kaiserslautern*

Immigrant owners possess valuable human and social capital from which SMEs might derive advantages when internationalizing. We use both the resource-based and entrepreneurial cognition perspectives against each other theoretically and empirically by evaluating a) the relationship between business owners' immigrant status and SMEs' export intensity, and b) the moderating role of immigrant ownership in the relationship between SMEs' export intensity and financial performance. Based on a representative sample of 9,977 Canadian SMEs, we find that immigrant ownership positively affects export intensity; however, it negatively moderates the relationship between export intensity and financial performance, providing evidence for the entrepreneurial cognition perspective and the overconfidence hypothesis.

SESSION 485

THE ORGANIZATIONAL LEARNING PROCESSES

TRACK A/D	Date	Sunday, June 4
	Time	14:15 – 15:30
Paper	Room	Hawthorn B

Session Chair: Marina Biniari, *Aalto University*

Learn to Break-Up: M&A Termination Experience and the Negotiation of Termination Fee Provisions

Zhe Xing, *University of Southern California*

While prior research on acquisition experience and firm performance largely ignored the governance issue of deal-making process involving exchange parties' negotiation on terms and provisions, our study looked at a specific type of experience—the acquirer's experience on deal termination—and its impact on the negotiation of termination fee provisions. Using hand-coded data of 1524 public deals in US from 1993 to 2014, we found that a deal is more likely to include acquirer termination fee provisions—contract terms that define a payable fee that the acquirer pays the target if the deal is not completed—when the acquirer pays a high premium and when its prior termination decisions is not justified by the market.

Reinforcement Learning and Risk-Return Relationships

Dirk Martignoni, *University of Lugano*

Thomas Keil, *University of Zurich*

Marcel Fehr, *Berner Kantonalbank*

Models of reinforcement learning play an important role in research on organizational learning and adaption. These models typically assume that risk is homogenous across all choices. In our study, we examine the efficacy of reinforcement learning in contexts in which (1) risks are heterogeneous across alternatives (i.e., some alternatives are more risky than others) and (2) there is a systematic correlation (either negative or positive) between the risk of alternatives and their returns. Using a formal model, we find the type of risk-return relationship has important consequences for dynamics and outcomes of reinforcement learning processes and the efficacy of different learning strategies. These findings have important implications for a variety of different streams of research.

Developing Entrepreneurial Thinking to Build Dynamic Capabilities

Marina Biniari, *Aalto University*

Jenni Tuomala, *Aalto University*

Existing studies suggest that the ex-ante presence of a shared, strategic entrepreneurial thinking that combines opportunity-seeking (exploration) and advantage-seeking (exploitation) perspectives contributes to building an incumbent company's dynamic capabilities. However, we know little of how companies develop such a shared thinking. In this study, we explore the emergence process of strategic entrepreneurial thinking in the context of a multidivisional company. Our study reveals how the separation of managers' perceptions regarding breakthrough innovation (exploration) and its co-existence with incremental innovation (exploitation) undermines consensus across hierarchical levels and divisions, preventing the development of innovation dynamic capabilities across the company.

Practice Makes Perfect: Exploring Practices in Entrepreneurial Capability Development

A. Erin Bass, *University of Nebraska–Omaha*

Ivana Milosevic, *University of Wisconsin–Oshkosh*

Dynamic capability development is essential for organizational success and survival. However, critical antecedents to dynamic capability development—routines, knowledge, and resources—are often lacking or limited in entrepreneurial organizations. In this study, we adopt a practice perspective to uncover how dynamic capabilities in entrepreneurial organizations (entrepreneurial capabilities) are developed through individual and collective practices. To empirically investigate this phenomenon, we conducted ethnography of a rapidly growing, entrepreneurial organization. Initial analyses of individual and collective practices suggest the emergence of two critical entrepreneurial capabilities: the capability to produce innovative solutions and the capability to inject durability in some practices, but not others. We contribute to the literature by providing a practice perspective to extend our understanding of the critical antecedents to entrepreneurial capability development.

SUNDAY 14:15 – 15:30

15:30 – 16:00
COFFEE BREAK (WILDROSE PREFUNCTION)



SESSION 451

STRUCTURE AND CAPABILITIES

TRACK A	Date	Sunday, June 4
	Time	16:00 – 17:15
Paper	Room	Hawthorn A

Session Chair: David Hsu, *University of Pennsylvania*

Follow the Sun: Integrative Capability and Value-Chain Climbing in an Emerging Industry

Amy Nguyen-Chyung, *University of Michigan*
Yue Maggie Zhou, *University of Michigan*

We integrate the literature on vertical integration, firm capabilities, and entrepreneurship to study firm choice of position(s) along the value chain in an emerging industry. We examine the firm choice of being an upstream seller (and designer), a downstream installer, or both in the California solar photovoltaic (PV) installation industry from 1998 to 2012. Our findings suggest that suppliers with greater integrative capability at the time of entry are more likely to move up the value chain. In addition, a supplier's integrative capability at the time of entry will moderate the disadvantage of its lack of (specialized) experience in the new industry. These results are consistent with a story of value-chain climbing enabled by integrative capability in emerging industries.

Ecosystem Management for Technology Ventures: A Competences Perspective

Mara Guerra, *Imperial College London*
Bart Clarysse, *ETH Zurich*
Anu Wadhwa, *Imperial College London*

Literature on ecosystems points to the constraining effect of ecosystem on the companies living within them. However, anecdotal evidence tells us that occupying a central position in the ecosystem can bring great advantage to the organization. These position is easily occupied by big players while it is hard for resource-poor ventures to play such a key role. What is their best bet when competing against such players? We argue that the best choice for ventures operating in industries with ecosystem dynamics is to develop the ability to manage their ecosystem and use dynamic capabilities as a theoretical lens to resolve this tension. The solar photovoltaic industry is used to empirically test hypotheses about the effects of managing the ecosystem for resource-poor ventures.

Venture Scaling and Expansion: A Taxonomy

David Hsu, *University of Pennsylvania*

Venture scaling, while a topic of practical importance, has received little attention from the academic literature in entrepreneurial and strategic management. I develop a taxonomy of different dimensions of venture scaling and discuss the inputs to the timing and mode of scaling. The three dimensions I discuss are vertical expansion (backward or forward integration), horizontal expansion (entry into a different industry relative to a venture's "home" segment), and geographic expansion. I discuss the tradeoffs associated with each scaling dimension and illustrate with case studies, including an extended case drawn from the historic archives of the Polaroid Corporation. A final section discusses empirical design and my efforts to scale-up these insights into a large sample study.

Dynamic Capabilities for Market Shaping Strategies: An Empirical Investigation

Suvi Nenonen, *University of Auckland*
Kaj Storbacka, *University of Auckland*

Viewing markets as complex systems, and acknowledging institutional, cognitive and evolutionary perspectives on market development, implies that decisions regarding markets are not limited to market selection and positioning, but markets can be shaped for higher value creation. Informed by this view, we empirically investigate the dynamic capabilities entrepreneurial firms use to shape their markets, using a grounded theory approach. We examine 21 firms from four countries that have successfully engaged in market shaping, and identify two distinct capability categories. 'Inducing capabilities' directly induce change in markets, whereas

'augmenting capabilities' enable, enhance or moderate the direct shaping efforts. The empirical analysis suggest that inducing capabilities are context-specific, whereas augmenting capabilities are generic. As a conclusion we model the relationship between market shaping capabilities and market change.

SESSION 475

COGNITIVE PERSPECTIVES ON INNOVATION

TRACK B	Date	Sunday, June 4
	Time	16:00 – 17:15
Paper	Room	Hawthorn B

Session Chair: Alexander Berman, *Temple University*

Business Model Innovation of Incumbents: Learning and Biases

Ricarda B. Bouncken, *University of Bayreuth*
Viktor Fredrich, *University of Bayreuth*

For Business Model Innovation (BMI) incumbent firms require dynamic capabilities and overcoming cognitive biases, inertia, and blindness. We argue that alliances allow activating new opportunities for the combination of activities. Our empirical study on 320 firms in alliances shows that joint knowledge creation in alliances improves BMI. Yet, the merits decline if firms are of synchronous age and/or operate in geographic proximity. We argue that cognitive biases, inertia, and blindness are more likely among firms of synchronous age and/or operate geographic proximity. These will interfere with seizing opportunities in the alliance of combining and changing components that form activities for BMI

Managerial Cognition, Organizational Ambidexterity and Firm Performance

Dapeng Yang, *Zhejiang University*

The organizational ambidexterity literature has burgeoned over the last decade, however its influence on performance remains blurring, and little attention had paid on the cognitive role of top managers. To fill these gaps, this paper first compare prior research concerning organizational ambidexterity' performance outcome and distinguishes organizational ambidexterity into high-level balance or low-level balance and suggest that firms with high-level balance ambidextrous firms exceed those low-level balance ambidextrous firms. Second, this paper try to explore how managerial cognition influence organizational ambidexterity, especially examing the effect of complexity and focus of knowledge structure. This paper use China listed company database to examine the hypothesis raised here. The conclusions will provide meaningful reference for firms making strategic decision in business ecosystem competition.

Study Evaluating the Association of Structural Differentiation of Languages and Innovation

Alexander Berman, *Temple University*
Ram Mudambi, *Temple University*
Amir Shoham, *Temple University*

We evaluate the effect of the differentiation in language structures on peoples' propensity to innovate. We utilize findings from previous research on cognition that stipulates that the imprint of native languages impacts cognition and affects behavior. In order to measure the effect of the linguistic diversity on innovation, we created language indices that reflect gender distinctions, individualistic emphases, and hierarchy differentiation, and then analyzed those against the country-specific patenting information. The preliminary findings from our analysis indicate that there may indeed be an association between language structures and innovation. We believe that our study has relevance to both theoretic and practical aspects of management subjects, with a particular significance to enterprise-oriented global innovation strategies as well as innovation-tailored government policies and regulations.

Uncovering the Creative Sources of Commercialization

Sen Chai, *ESSEC Business School*

Although innovation scholars have a reasonable understanding of the various individual factors that enhance creativity and research productivity, such as prior productivity and various personal attributes, there are fewer works on drivers that lead to high rates of generation of commercially successful ideas. However, there is anecdotal evidence that some researchers are able to generate commercially successful ideas repeatedly, while others are able to generate ideas but many of which do not turn into commercial successes. Moreover, little is known about the cognitive and social factors that spur commercializable creativity and innovation. The goal of this work is to explore the process by which researchers or teams of researchers conceive of commercially successful ideas and uncover patterns that are predictably linked to commercial outcomes.

SESSION 473

STRATEGY INSIGHTS FOR MANAGERIAL PRACTICE

TRACK C/D	Date	Sunday, June 4
	Time	16:00 – 17:15
Common Ground	Room	Bluebell

Session Facilitator: Beverly Tyler, *North Carolina State University*

Why Do Firms with Dynamic Capabilities Buy Consultancy? The Case of Market Diversification

Karl Brindlmayer, *WU-Vienna*

Jan Hendrik Fisch, *WU-Vienna*

Siggi Gudergan, *University of Newcastle*

Firms face difficulties in their market diversification efforts, as they are limited in deploying their dynamic capabilities in and lack specific information about new markets. In response to these difficulties, firms may engage consultants for assistance. Drawing on the dynamic capabilities and information cost views, this study shows when and how consultants complement or substitute other information sources in market diversification efforts subject to the firm's dynamic capabilities. Moderator-mediator analyses support hypotheses on a sample of 1,184 international market entries.

Ambidexterity as Competitive Advantage Against Hyper-Competition: Evidence for Reverse Innovation from Developed-Market MNE Subsidiary

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

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

Internationalization into particular emerging markets is driven by asset specificity, information asymmetry and Knowledge tacitness required to create competitive advantages. Starting with market entry in 2000, we follow the trajectory of the DHL Group, in India, from alliance partner to market leader. We particularly focus on a new function, Cross Business Unit Coordination, that has in a unique experiment not just brought all divisions of DHL India successfully together, but is poised to solidify the group's position in the fast growing e-Tail market globally. We hypothesize that the DHL end to end e-Tail solution has created a set of dynamic capabilities that has helped it transition from a stable to a high velocity environment, that will also bring stability to this hyper competitive space.

How Capabilities of Family-Owned Wineries Moderate the Relationship Between Environmental Practices and Firm Performance

Beverly Tyler, *North Carolina State University*

Brooke Lahneman, *University of Oregon*

Allan Discua Cruz, *Lancaster University*

Karin Beukel, *University of Copenhagen*

Marco Minciullo, *Catholic University of the Sacred Heart*

Daniele Cerrato, *Catholic University of the Sacred Heart*

Nathalie Spielmann, *NEOMA Business School*

This study explores the relationship between managers' attitudes toward sustainability, implemented environmental practices, and firm performance in family owned wineries. It also assesses how resources accumulated moderate the relationship between firms' environmental practices and performance. Based on upper echelons theory, we posit that in family owned wineries, managers' positive attitudes toward sustainability are positively related to the implementation of environmental practices by the firm, and that environmental practices positively impact firm performance relative to competitors. Consistent with dynamic capability theory, we propose that family owned wineries transform entrepreneurial thinking into dynamic capabilities by leveraging resources related to intellectual property (IP), branding, and certifications to strengthen the relationship between environmental practices and firm performance.

Strategic Voluntary Disclosure Through Information Intermediaries: Evidence from Corporate Carbon Disclosures

Patrick Callery, *University of California, Santa Barbara*

Jessica Perkins, *University of California, Santa Barbara*

Information intermediaries have emerged as credible institutions for voluntary corporate disclosures of non-financial performance. However, some studies have shown that these disclosure mechanisms do not always lead to corresponding improvements in firm performance, raising concern regarding actual transparency provided by firm disclosures. This study seeks to demonstrate whether firms leverage the credibility of voluntary disclosure mechanisms to increase competitive advantage without substantive improvements in performance. We employ multiple empirical methods to detect evidence of strategic disclosure within one prominent mechanism (CDP, or Carbon Disclosure Project). Results indicate that firms tend to provide misleading performance disclosures in order to maximize scores without substantive performance improvements. The study contributes to our understanding of strategic voluntary disclosure and seeks to inform improved design of third party disclosure institutions.

From Beneficiaries to Agents: A Normative Model of Social Ventures

Adam Clark, *University of Utah*

Barclay Burns, *University of Utah*

Loren Rich, *University of Utah*

Steve Kofford, *University of Utah*

Strategy research into Social Ventures is inhibited by a lack of underlying theory. Using Stakeholder Theory, we reframe Social Venture as a form of early-stage business development. We then use Value Creation-Appropriation dynamics, Incomplete Contract Theory and Cognitive Theory to show why there is a critical misalignment between two of the stakeholders, the Sponsor and the Firm, and the third key stakeholder, the Beneficiary. This misalignment leads to the emergence of dependency models and inhibits the growth of sustainable markets. Compensating for this misalignment creates a normative model of Social Ventures and lays out a theoretical framework for management scholarship to engage in. Implications of the theory, testable hypotheses, and potential avenues for future research are discussed.



Social Media and Dynamic Capabilities: Mining Millennial Resources

Joy Karriker, *East Carolina University*

Nathan Hartman, *Illinois State University*

Because the human element “has the potential to set a firm apart from its competitive field” (Karriker, Ireland, & Coombs, 2004, 3), and because the talent pool of prospective employees increasingly includes social media-savvy millennials, the strategic human resource function must take full and appropriate advantage of social media tools in its acquisition of human assets. The ability to do so is, in fact, a dynamic capability that may be informed by examining the effects of hiring managers’ use of social media as either a primary, secondary, or tertiary influence in employment and related decisions. The current effort explores cognitive and behavioral issues related to demographic characteristics, as well as textual and contextual factors and their influence on strategic human resource decisions.

17:30 – 19:30

CLOSING RECEPTION AND BBQ (WILDROSE SALON A)

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