

SMS Corporate Strategy Interest Group Newsletter



Fall 2013

Letter from the Chair

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Don Bergh
(University of Denver)

Program Chair
Laszlo Tihanyi
(Texas A&M University)

Associate Program Chair
Heli Wang
(Singapore Management University)

Representatives-at Large
Bruce Lamont
(Florida State University)

Doug Miller
(University of Illinois)

Rocki-Lee DeWitt
(University of Vermont)

Caterina Moschieri
(IE Business School)

Jerayr Haleblian
(University of Georgia)

Toyah Miller
(Indiana University)



Dear Member of the Inaugural Corporate Strategy Interest Group,

It is my pleasure to introduce the first ever **Newsletter of the Corporate Strategy Interest Group of the SMS!** As you may know, this Interest Group (IG) was created by a split of the former Corporate Strategy and Governance Interest Group and this year marks our first as a separate entity. In a way, we went through our own divestiture – how interesting for a group that is devoted to corporate strategy!

We are off to a great start, as we have over 400 members already. We look forward to welcoming more as our IG moves into its second year. And as you may know, we had a most interesting, impressive and exciting conference, as will be reported in the contents of the Newsletter.

Before we recap our programs, I want to first thank Gerry Sanders and Bob Wiseman for their leadership for creating our new Interest Group. The conversation for our IG actually had begun several years ago, but Bob took the lead in surveying SMS members to determine the viability of such a group. He presented the findings from his survey and we had a conversation in the business meeting at the 2011 SMS Conference where it was decided to move forward with starting our Interest Group. Then, last year, we were organized as a track for the Prague Conference while we awaited approval from the SMS Board of Directors. Gerry served as Chair and I managed the Conference Program. We received approval and became an official Interest Group this past January 1st. Now, we're on off to the races.

I also want to thank Laszlo Tihanyi and Heli Wang. Laszlo was a rock-solid program chair – he not only put together an excellent program from the submissions that we received but made it all look so easy. He engaged many of our members to serve as reviewers and as you will see below, we had many participate this year. The sessions involved high quality papers that were well integrated. Heli's job was equally impressive. She conceived the sessions, recruited participants and organized the panels. One of her sessions was so sought out that it was changed from its 8 am Sunday morning slot to become a Showcase Panel. Well done, Laszlo and Heli. Our IG is in such great hands for next year! Finally, I want to let you know that our IG co-sponsored a full-day Saturday session on Mergers & Acquisitions and like so many others, it was very well received.

Finally, thank you to all of our officers. You will see their names listed in the left hand side bar. I sincerely appreciate their willingness to participate in the leadership of the IG.

Below, you'll see our program reviewers, our sessions at this year's SMS Conference and our members that will be running for future leadership positions. I ask that you please vote in the elections this year, and continue to help us develop our new IG. We have a most exciting opportunity to help each other learn about corporate strategy and to share our mutual interests in this fascinating topic.

Sincerely,
Don Bergh, Chair

2013 Program - Atlanta

Our new Interest Group received over 60 proposals for the Annual Meeting in Atlanta. Each proposal was evaluated by at least two reviewers. Most reviewers provided authors with comments in addition to the ratings of the proposals. We thank those members who volunteered to serve as reviewers!

The reviewers included:

Todd Alessandri	Li Dai	Heechun Kim	Ilya Okhmatovskiy	Kehan Xu
Luís Almeida Costa	Markus Fitza	Hicheon Kim	Mario Schijven	Daphne Yiu
David Boss	Alessandro Giudici	David King	Matthew Semadeni	Michele Yoder
Matthias Brauer	Sanjay Goel	Kalin Kolev	David Souder	Tieying Yu
Rhett Brymer	Maria Goranova	Bruce Lamont	Sujit Sur	Hong Zhu
Joanna Campbell	Niccolò Gordini	Edward Levitas	Beverly Tyler	
Xavier Castaner	Jerayr Haleblian	Dan Li	Carl Vieregger	
Shih-Chi Chiu	Kathryn Harrigan	Elizabeth Lim	Curtis Wesley	
Brian Connelly	Sharon James	Mani Mamik	Michael Withers	
	Aseem Kaul	Ivana Naumovska	Nai-Hua Wu	

The accepted proposals were presented in seven paper and two common ground sessions. Each paper session included four related proposals and each common ground session included six related proposals. The nine sessions were as follows:

Corporate Diversification and Firm Performance (Paper)

Corporate Diversification and Firm Performance: The Role of Product-Market and Business-Model Relatedness

Timo Sohl and Govert Vroom

Demand-Side Complementarities and Firm Scope

Jens Schmidt and Richard Priem

The State, Government Officials' Political Incentives and Corporate Diversification in an Emerging Economy

Danqing Wang

Why There?: Decomposing the Choice of Target Industry

Peter Klein and Lasse Lien

Corporate Divestiture and Portfolio Restructuring (Paper)

Corporate Divestitures and Family Control

Emilie Feldman, Raffi Amit, and Belén Villalonga

Loss Exposure and Corporate Scope Changes: The Effects of Downside Risk on Acquisitions and Selloffs

Jan Mammen and Todd Alessandri

Patterns of Successfully Managed Corporate Portfolio Restructuring

Sebastian Schönhaar, Michael Nippa, and Ulrich Pidun

When Does Performance Matter for Divestments?

Naga Lakshmi Damaraju and Jay Barney

Acquisition Experience, Innovation, and Performance (Paper)

Accelerating Innovation through Acquisition: An Evaluation of Patent and Product Portfolios

Douglas Miller, Anju Seth, and Sai Lan

Craving for the Big Deal? Escalation, De-Escalation, and Momentum As Antecedents of Large Acquisitions

Yuval Deutsch, Thomas Keil, Tomi Laamanen, and Markku Maula

Slacking Off? The Moderating Effect of Organizational Slack on Learning from Failed Acquisition Bids

Ram Ranganathan, Anindya Ghosh, and Harbir Singh

With Experience Comes Wisdom? Difficulties in Learning from and Using Advisor Acquisition Experience

Jerayr Haleblan, Adam Steinbach, and Gerry McNamara

Managing the Boundaries of the Firm: Entry, Exchange, and Exit (Paper)

A Closer Look at Firms' Product Market Dynamics

Douglas Miller and Hsiao-shan Yang

Chasing Their Tails: Why Do Firms Subsidize Underperforming Business Units?

Carl Vieregger

Determinants of Alliance Partner Choice: Examining Alliance Partner Network Distance from Perspective of Agency Theory

Ribuga Kang

Exit Delay: An Experimental Approach

Daniel Elfenbein, Rachel Croson, and Anne Marie Knott

Managers and Corporate Strategy (Paper)

Agency Problems in Divested Business Units: Evidence from the Boards of Directors of Spinoff Firms

Emilie Feldman

CEO Background Characteristics As Determinants of Firm Performance

Mark Hansen and Chad Howland

The Moderating Role of Executive Discretion on the Relationship between Target-Managers' Turnover and Post-Acquisition Performance

Kalin Kolev and Jerayr Haleblan

TMT Characteristics in M&As: The Effects of Gender and Relative Power

Heather Parola, Kimberly Ellis, and Peggy Golden

Resources, Capabilities, and Corporate Strategy (Paper)

Managerial Foresight and Corporate Investment

Todd Zenger and Carl Vieregger

Resource Allocation and Dynamic Capabilities

Dan Lovallo, David Bardolet, and David Teece

The Impact of Political Capabilities on Firm Performance: An Empirical Investigation

Richard Brown and Robert Hamilton

Vertical and Horizontal Expansions in Value-Based Models

Gianluigi Giustiziero

International Corporate Strategy (Paper)

Cross Border Acquisition Pacing and the Synchronization Trap

Yinuo Tang, Weilei Shi, and John Prescott

Ownership, Internationalization and Performance

Gabriel R G Benito, Asmund Rygh, and Randi Lunnan

Slack Resources and MNE Subsidiary Performance

Yong Li and Sachwa Hong

Subsidiary Level Determinants of Reverse Knowledge Transfer in Emerging Markets Multinationals

Mehmet Demirbag, Kamel Mellahi, and Smitha Nair

Managing the Corporate Portfolio (Common Ground)

Absorptive Capacity and Performance: The Effect of Diversified Business Group Affiliation

Pasquale Massimo Picone, Naga Lakshmi Damaraju, and Giovanni Battista Dagnino

Broad or Narrow: Which Portfolio Suits Family Managers and Directors?

Christian Stadler, Michael Mayer, Julia Hautz, and Kurt Matzler

Integration Strategy or Strategic Integration? Including the Environment in M&A Integration Processes

Svante Schriber

The Value Traps Facing Corporate Functions

Sven Kunisch, Guenter Mueller-Stewens, and Andrew Campbell

Towards a Theory of Corporate-Level Ambidexterity: Portfolio Dynamism Heterogeneity and Company Performance

Martin Weiss and Andreas König

Will Spun-off Units from Unsuccessful Parents Survive Better?

Mina Lee and Xiaoli Yin

Corporate Strategy: Competition and Growth (Common Ground)

Constraints or Opportunities?: The Double-Edged Role of Market Competition on Expansion Strategy

Vivek Tandon, Brian Wu, and Sara Ryoo

Impact of Government Policy on the Market for Corporate Control: Divestment by South African Conglomerates

David King Tasneem Joosub, and David Coldwell

The Competitive Advantage of Business Groups: Entrepreneurial or Rent Seeking? Evidence From North Africa

Addis Gedefaw Birhanu

The Effects of Uncertainty and Ambiguity on M&A Announcement Media Choice

Eunjoo Yi

To Make a Virtue of Necessity: Value-Based Strategies and Firm Growth

Roca Esther and Andrea Fosfuri

With Whom Innovate and Why? An Empirical Study in the Video Game Industry

Frank Robert and Rhizlane Hamouti

Pre-Conference Program

We had an excellent set of sessions. Indeed, one was even designated as a Showcase Panel! Consider this feedback from some of our members:

Caterina Moschieri: Publishing Strategic Management Research

“The informal feedback that I collected around is that the session was a success! We already knew that, because of the number of people listening, standing and from the outside corridor...but it was nice to hear it from our colleagues.”

Toyah Miller: Leadership and Strategic Change

“Our session was packed and I liked that we had a diversity of perspectives (exec cognition, identity, personality, moderators, teams, and learning) effects on strategic change.”

Jerayr Haleblan: Maintaining the Legitimacy, Differentiation, and Mobilization of Strategic Management

“The SMS session with Mike, Jay, Ming-Jer, Margie and Joe seemed to go really well. The panelists had interesting perspectives, there was good discussion amongst panelists, and the audience seemed interested and engaged.”

Leadership and Strategic Change

Session Co-Chairs:

Bruce Lamont, Florida State University

Toyah Miller, Indiana University

Panelists:

Warren Boeker, University of Washington

Marta Geletkanycz, Boston College

Sucheta Nadkarni, Drexel University

Rajiv Nag, Georgia State University

Margarethe Wiersema, University of California-Irvine

The panel was organized as a discussion forum surrounding a number of pertinent questions. Questions for the session participants included: If we assume that strategic management has achieved the status of an academic field, what should strategic management scholars do to help maintain and strengthen field status? If we were to make an assessment, how is strategic management doing along these lines? What threats are we facing as a field? Are there opportunities to strengthen our position that we need to better exploit?

Publishing Strategic Management Research

Session Chair:

Caterina Moschieri, IE Business School

Panelists:

Manuel Becerra, IE Business School

Melissa Graebner, University of Texas-Austin

Yan Zhang, Rice University

Maurizio Zollo, Bocconi University

This session focused on the key steps of the publication process in leading journals of strategic management. It covered journal selection, editorial decisions, and revision strategies. It offered advice on how to deal with or respond to different editorial decisions, including reject, reject and resubmit, and revise and resubmit. The session reviewed revision strategies involving strategic management theories and research. Panelists include successful authors and current and past editors of journals such as the *Academy of Management Journal*, *Global Strategy Journal*, and *Strategic Management Journal*.

Maintaining the Legitimacy, Differentiation, and Mobilization of Strategic Management (Showcase Panel)*

Session Chair:

Jerayr Haleblian, University of Georgia

Panelists:

Jay Barney, University of Utah

Ming-Jer Chen, University of Virginia

Michael A. Hitt, Texas A&M University

Joseph Mahoney, University of Illinois-Urbana Champaign

Margaret Peteraf, Dartmouth College

* (please note that due to its popularity, this session was switched from Sunday morning 8am to Monday afternoon 3:30 as a showcase panel, in order to accommodate a broader audience)

The panel will be organized as a discussion forum surrounding a number of pertinent questions. Questions for the session participants might include: If we assume that strategic management has achieved the status of an academic field, what should strategic management scholars do to help maintain and strengthen field status? If we were to make an assessment, how is strategic management doing along these lines? What threats are we facing as a field? Are there opportunities to strengthen our position that we need to better exploit?



Heli Wang
Associate Program Chair



Laszlo Tihanyi
Program Chair

Elections

Please participate in choosing among the following excellent candidates for our next set of leaders!

Associate Program Chairs

Bruce Lamont



Bruce Lamont is the Thomas L. Williams Eminent Scholar in Strategic Management in the College of Business at Florida State University. He received his Ph.D. from the University of North Carolina at Chapel Hill. He has published numerous journal articles, appearing in the *Academy of Management Journal*, *Academy of Management Review*, *Journal of International Business Studies*, *Journal of Management*, and *Strategic Management Journal*. He has been an active member of SMS for many years and currently serves on the editorial review board for the *Strategic Management Journal*. He has also served on the editorial review boards of the *Academy of Management Journal* and the *Journal of Management*, the Executive and Research Committees of the Business Policy and Strategy Division of the Academy of Management, and the Board of Governors of the Southern Management Association. His current research addresses the effective management of acquisition integration processes, knowledge investments and novel extensions of organization theory.

Douglas Miller



Doug Miller is an Assistant Professor in the Department of Business Administration at the University of Illinois at Urbana-Champaign. He has published several articles on corporate strategy in *Strategic Management Journal* and *Academy of Management Journal*. His research examines how firms develop and use technological resources, and the implications for firm growth through diversification, alliances, acquisitions, and vertical integration. Doug Miller has served on the editorial board of the *Strategic Management Journal* (2009-present) and *Journal of Management* (2003-2005) and regularly reviews articles for major journals and the SMS conference. He recently completed two years as a representative-at-large in the Competitive Strategy Interest Group. Doug Miller teaches at the undergraduate, master's, and doctoral levels in the Strategy & Entrepreneurship group at Illinois, with an emphasis on corporate strategy. His Ph.D. is from The Ohio State University (2000).

Representatives-at-Large

Todd Alessandri



Todd M. Alessandri is an Associate Professor in the College of Business Administration at Northeastern University. Prior to joining Northeastern University, he was on the faculties of the Whitman School of Management at Syracuse University and Providence College. Todd Alessandri obtained his Ph.D. from the University of North Carolina at Chapel Hill. His research explores the intersection of strategic management and financial theory, particularly around strategic investments. Current research projects focus on linking managerial incentives to growth option value, and investigating the relationships between international diversification and product diversification with managerial ownership and growth options. His research has appeared in numerous journals, including *Strategic Management Journal*, *Journal of International Business Studies*, *Advances in Strategic Management* and *Long Range Planning*. Todd Alessandri is a member of the editorial boards of *Journal of Management* and the *Journal of Strategy and Management*.

Shih-chi Chiu



Shih-chi Chiu is an Assistant Professor in Strategy from Nanyang Business School at Nanyang Technological University in Singapore. She holds a Ph.D. in Strategic Management from the University of Missouri-Columbia and a M.A. in Telecommunications Management from Michigan State University. Her primary research interests are in the areas of corporate governance, corporate social responsibility and executive succession. She has investigated related topics in the contexts of IPO ventures and firms undergoing restructuring. Shih-chi has published in the *Journal of Management* and *Journal of Management Studies* and her research papers have been nominated for the best paper prize several times in the key international management conferences. Prior to obtaining her Ph.D. degree, Shih-chi worked as a senior analyst in the high-tech industry and as a career consultant in the United States.

Representatives-at-Large, Continued

Kim Ellis



Kimberly Ellis is an Associate Professor at Florida Atlantic University. She earned her Ph.D. from Florida State University and has also taught at Michigan State University. Her primary research draws on multiple theoretical perspectives to examine the influence of contextual and process factors on post-acquisition outcomes. Her secondary research investigates linkages between a firm's corporate social performance, corporate strategy, and financial performance. Her research has been published in *Academy of Management Journal*, *Strategic Management Journal*, *Journal of Business Ethics*, and other outlets. Kimberly M. Ellis has been an active member of SMS since 2000 serving as presenter, reviewer, session chair, PDW organizer, and general track chair for the 2013 Annual Conference. Also, she serves as a reviewer for the *Journal of Management*, *Journal of Management Studies*, and *Strategic Organization* among others. Prior to joining academia, she worked as a financial analyst for General Electric having completed its highly regarded Financial Management Program (FMP) and became a licensed Certified Public Accountant (CPA) in 1994.

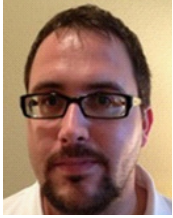
Gwendolyn Lee



Gwendolyn Kuo-fang (Gwen) Lee is an Associate Professor and the Chester C. Holloway Professor at the University of Florida, Warrington College of Business Administration. She holds a Ph.D. in Business Administration from the University of California at Berkeley, and M.S. and B.S. degrees in Chemical Engineering from the Massachusetts Institute of Technology. Currently, she serves on the Editorial Review Boards of the *Strategic Management Journal* and the *Academy of Management Journal*. Gwen Lee's research has been in the field of strategic management with an emphasis on corporate strategy in knowledge-intensive settings. Her research objective is to contribute to knowledge-based perspectives and the resource-based view of strategy on how to manage a firm's portfolio of businesses, resources and capabilities. Her focus has been on knowledge creation and the learning of capabilities that firms gain through internal development, merger/acquisition, and strategic alliances. She has published research articles in leading management journals, including the *Academy of Management Journal*, *Best Paper Proceedings of the Annual Meeting of the Academy of Management*, *Organization Science*, *Research Policy*, and the *Strategic Management Journal*. She has worked and enjoyed living globally in America, Asia, and Europe.

Representatives-at-Large, Continued

Mario Schijven



Mario Schijven is an Assistant Professor of Management at the Mays Business School, Texas A&M University. His research focuses on corporate development activities, most notably acquisitions, alliances, and organizational restructuring, which he studies using theories of organizational learning, behavioral decision making, and evolutionary economics. Some of his dissertation work has appeared in the *Academy of Management Journal* and the *Journal of Management*. He holds a Ph.D. from Tilburg University-the Netherlands. He has received research awards from, among others, the Academy of Management and the Strategic Management Society, and he was a finalist in the 2007 INFORMS/Organization Science Dissertation Proposal Competition.

Brian Wu



Brian Wu is an Assistant Professor of Strategy at the Ross School of Business of the University of Michigan at Ann Arbor. He received his B.S. from Tsinghua University in China, M.Sc. from National University of Singapore, and Ph.D. from the Wharton School at the University of Pennsylvania. Focusing on corporate strategy and industry evolution, his research has been published or is forthcoming in *Management Science* and *Strategic Management Journal*, and recognized with AOM Technology and Innovation Management Division Stephan Schrader Best Conference Paper Award, US Small Business Administration Best Student Paper Award, INFORMS Organization Science Dissertation Proposal Competition Award (finalist), Ross Junior Faculty Research Award (nomination), AOM Technology and Innovation Management Division Past Chairs Emerging Scholar Award (runner-up), and 3M Nontenured Faculty Award. He served on the Research Committee (2010-12), and will serve on the Executive Committee (2013-15), of the AOM Business Policy and Strategy Division.