



CALL FOR PROPOSALS

ALIGNING STRATEGY, CORPORATE GOVERNANCE, AND RESOURCE ALLOCATION IN TURBULENT ENVIRONMENTS

PROGRAM CHAIRS

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The firm's competitive performance rests on a *tripod* of strategy, governance, and resource allocation, now facing unprecedented environmental turbulence and necessitating novel and integrative recipes for successful adaptation.

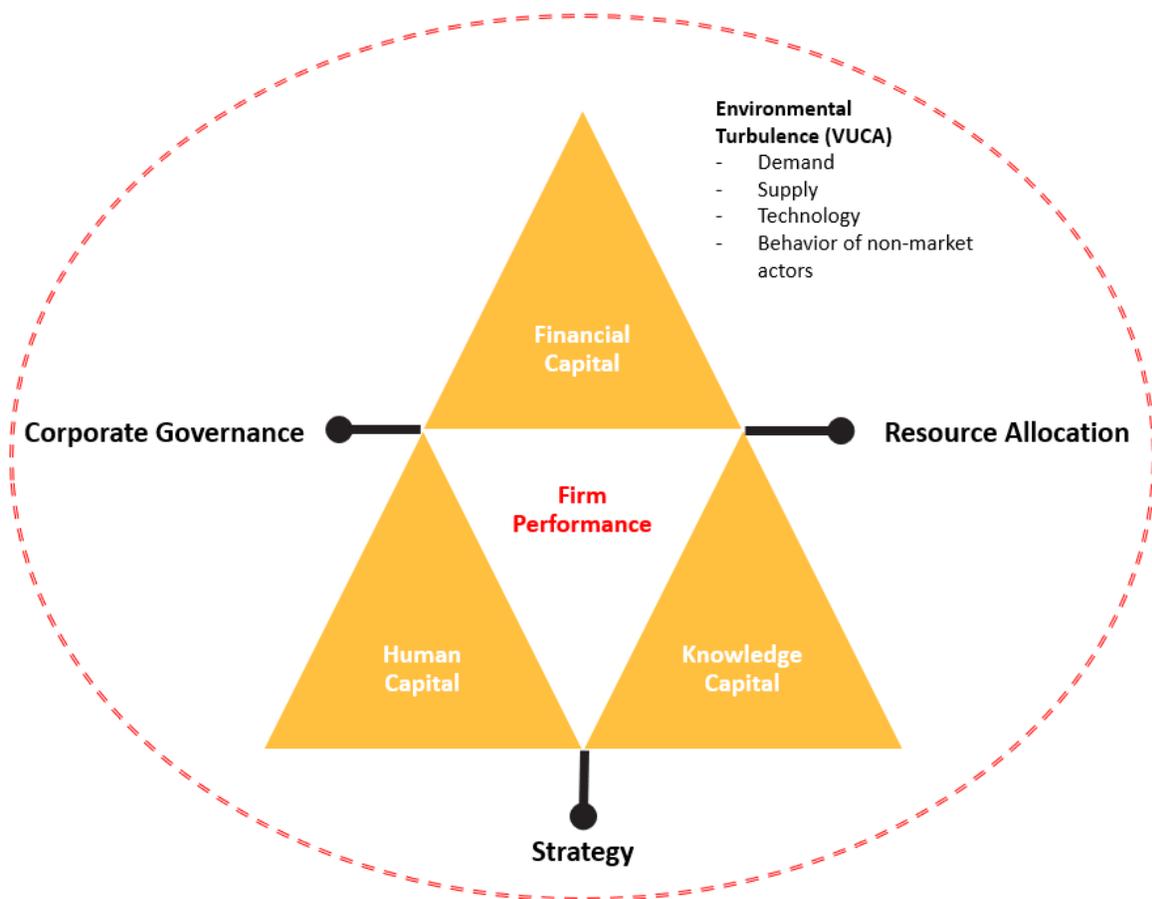
The strategic management field—from its inception—has recognized the close linkages among strategy (domain choices and ways to compete), corporate governance (including corporate finance) and resource allocation, with each leg of this tripod involving decisions on financial, human and knowledge capital. Classic examples include the “structure follows strategy”, “separation of ownership and control” and “managing the resource allocation process” debates; the critical trade-off between retaining earnings for growth versus paying dividends; the abundant work on how to make large incumbents, including multinational enterprises, as innovative as startups; and analysis of new venture creation and global scaling. This research has led to well-known guidelines for executive action by shareholders, entrepreneurs, boards, top management teams, and subsidiary and unit-level management. All these actors assume roles in the governance structure and resource allocation process. All are responsible for aspects of strategy formation and execution, and have fiduciary responsibilities in managing the organization's resources.

Heightened turbulence in the global economy has created new challenges for organizations attempting to align purposefully and efficiently their strategy, governance and resource allocation, thereby making optimal use of the financial, human, and knowledge resources at their disposal. Turbulence reflects large-scale and often unpredictable changes in the spheres of demand, supply, technology, and behavior of non-market actors. On the positive side, turbulence might reward an organizational-level focus on dynamic capabilities with the capacity for rapidly realigning the

tripod dimensions and for effective stakeholder management. However, greater turbulence also means higher volatility, uncertainty, complexity, and ambiguity –sometimes referred to as “VUCA” conditions.

Turbulence implies that organizations must deploy highly adaptive practices in managing their financial, human, and knowledge capital, and operate with an unrelenting bias for executive action. They must systematically recombine resources and consider tools such as buffering, modularizing and strategic options thinking. They must also plan for “back-up” alternatives to first-best strategy, governance, and resource allocation choices. Here, effectively aligning changes in each of the tripod dimensions is critical for achieving satisfactory or superior performance outcomes. For instance, changes in corporate governance, including creative approaches to ownership, coordination, and control, can be a lever for strategy execution but also place boundaries on what is feasible in terms of corporate and competitive strategy. Changes in corporate governance will also mediate initiative selection and the related allocation of rare, valuable, and difficult-to-imitate resources in the financial, human, and knowledge capital domains.

The SMS 43rd Annual Conference calls for research contributions that support novel thinking about the tripod of strategy, governance, and resource allocation in an era of great environmental turbulence. These contributions can span the tripod or delve deeply into any of four sub-themes, each focused on a particular institutional level at which turbulence has an impact: Economic Systems, Organizational Structures, Business Models, Integrating Processes, and Practices.



CONFERENCE THEME TRACKS

Track A: Economic Systems

Track Chairs: Stav Fainshmidt, *Western University* and Olga Petricevic, *University of Calgary*

This sub-theme seeks to explore the implications of heightened turbulence for the “varieties of capitalism.” From a strategy practice perspective, the competitive and institutional context of business looms large because it fundamentally shapes the rules of the game. For instance, extended industry rivalry, competition laws, intellectual property protections, the labor market organization, and more generally the regulation of business policies, operations, and financial transactions strongly affect what will be considered in a particular economic system as efficient governance (including corporate finance), optimal resource allocation, and ultimately good strategy. What constitutes good strategy will include domain choices, pricing and differentiation decisions, the organization of innovation, location selection, growth and profitability targets, financing and human capital development, the distribution of financial returns, etc. Recent examples of turbulence include capricious stakeholder and political challenges to the very foundations of capitalism; geopolitical instability; ideology-driven attempts at decoupling national economies; rapidly evolving threats to cyber security; and a myriad of pressures imposed on organizations by many market and non-market stakeholders. Which economic systems will ultimately best equip their home-grown organizations to succeed in the turbulent marketplace and how can internationally operating firms bridge the divides among competing systems?

Track B: Organizational Structures

Track Chairs: Liena Kano, *University of Calgary* and A. Rebecca Reuber, *University of Toronto*

This sub-theme seeks to explore the implications of heightened turbulence for the emergence of new organizational forms and the successful adaptation of existing organizational structures. Innovative organizational designs and new variations of past templates are presently being introduced throughout the world to cope with heightened turbulence. Different categories of governance structures, including family-owned firms, publicly listed companies, private equity structures, state-ownership, venture capital funded initiatives, business networks, etc. will typically engage in idiosyncratic resource allocation processes, and their strategies will be affected very differently—both positively and negatively—by environmental turbulence. For example, private-equity based firms are less vulnerable to (sometimes unreasonable) stakeholder demands than publicly listed companies. Many state-owned companies have access to the deep pockets of government and can therefore more easily pursue long-term strategies and resource allocation without much concern for short-term performance impacts or for financial performance more generally. Multinational enterprises face pressures to transform their global integrative structure and to micro-modularize their value chains. In addition, novel structural elements may be introduced such as temporary organizations with their own financial, human and knowledge capital, divorced from the core structure and permitting new ventures and collaborative arrangements when facing especially severe VUCA conditions. Exploratory acquisitions (small bets) can similarly allow entry and diversification into new markets where turbulence is high and long-term planning is difficult. Disposable factories having only a fraction of the capacity of a permanent plant, a much lower capital intensity, and less irreversibility of assets permit experimenting in turbulent contexts. Modular or mobile factories sometimes facilitated by additive manufacturing and green production technologies, can likewise easily be moved from high-turbulence to low-turbulence locations if needed. Disaggregated headquarters in hierarchical organizations permit an improved forecasting structure with better sensing of localized sources of turbulence and more effective strategy responses. Collaborative, community based organizational forms with crowds of problem solvers can also be useful in mitigating the impact of turbulence through better sensing and seizing capabilities. These are only examples of a wide array of organization-level, entrepreneurial innovations that can be deployed to address turbulence.

Track C: Business Models

Track Chairs: Preet S. Aulakh, *York University* and Anthony Goerzen, *Queen's University*

A business model is a set of purposively crafted routines and managerial practices meant to create value out of assembling and combining financial, human and knowledge resources; to deliver this value to customers; and to capture at least part of this value in the form of profitable growth. This sub-theme seeks to address which innovative business models can best support organizations and their networks in addressing heightened turbulence arising from large-scale and difficult to predict changes in demand, supply, technology, or stakeholder pressures. For instance, heightened turbulence can be caused by rapid and unpredictable technological change as with the industry 4.0 technologies, or by increased stakeholder pressures for societal value creation as with circular economy, sharing economy, zero-carbon, and sustainable global value chain (GVC) approaches. Turbulence means that a stable and standardized business model is unlikely to lead to superior economic performance.

Business model adaptation and innovation are therefore required but also have governance costs. Firms cannot continuously and without being highly selective alter their core value proposition with its cost and revenue models, or their partner networks, distribution channels, target customers, etc. to accommodate turbulence. Large organizations such as multinational enterprises can engage in business model diversification to maximize the responsiveness to localized sources of turbulence, but such diversification also has limits because of the danger of “de-focusing” resources from the firm’s primary business model. In theory, firms can develop a dynamic capability in business model design. However, business model transitions to address turbulence are challenging because any organization needs clarity on governance—on how it will deal with a multitude of stakeholders—and on the principles guiding its resource allocation process. Even the recent scalable business models involving digital assets and n-sided markets do require a carefully crafted and coherent approach to strategy, governance, and resource allocation.

Track D: Integrating Processes and Practices

Track Chairs: Victor Cui, *University of Waterloo* and Denis Grégoire, *HEC Montréal*

This sub-theme seeks to identify innovative practices and processes for managing financial, human, and knowledge capital that can best support firms and their networks in addressing heightened turbulence. Within each resource domain, the implications of large-scale environmental disruptions call for executives to alter existing practices and processes—or develop and implement new ones altogether. In the sphere of corporate finance, for instance, what can executives do to face changing access to finance and maintain their ability to fund high-growth initiatives and high-potential innovation projects? In the human capital sphere, what can executives do to address new constraints, demands and expectations from their stakeholders, and/or to integrate newly established practices and processes for hybrid and remote work into their organization’s strategic human resources management? In the sphere of knowledge management, what new practices and processes do executives mobilize to determine how best to locate their innovation activities internationally, to manage knowledge-intensive collaboration within their international teams and/or with foreign partners, and/or to develop and protect their knowledge reservoirs adequately? Lastly, what can executives do to integrate new or adapted practices and processes in each resource domain so that they enable and support a coherent, overarching strategy? How can they integrate these practices and processes within the overall resource domain’s management and subsequently with the other resource domains? Although this theme lends itself naturally to works stemming from the behavioral strategy, practice, and process communities, we enthusiastically welcome relevant submissions from across all interest groups, with research articulated at any levels of analysis and mobilizing any type of relevant data (qualitative or quantitative) and analytical technique.

INTEREST GROUP TRACKS

Track E: Competitive Strategy

Track Chair: Olga Hawn, *University of North Carolina at Chapel Hill*

The Competitive Strategy Interest Group (CSIG) focuses on firms’ interactions within product and factor markets, and tackles a broad set of questions regarding competitive strategy across heterogeneous firms and environments. What is competitive advantage? How can a firm build and maintain a competitive advantage in a turbulent world caused by large-scale and often unpredictable changes in the spheres of demand, supply, technology and behavior of non-market actors? What role do resources and capabilities play in shaping firms and industries over time and in different markets? As one of the largest and most internationally diverse Interest Groups, our community is aptly positioned to respond to this year’s conference theme “Aligning Strategy, Corporate Governance, and Resource Allocation in Turbulent Environments” by bringing a variety of novel perspectives to the conversation. As members of CSIG, we are intrinsically interested in studying the effect of competition in turbulent environments, which may affect how firms align strategy, corporate governance and resource allocation. This year, we invite you to consider the tripod of strategy, governance, and resource allocation in an era of great environmental turbulence, by focusing on one or several institutional levels at which turbulence has an impact: 1) Economic Systems, 2) Organizational Structures, 3) Business Models, and 4) Integrating Processes and Practices.

Track F: Corporate Strategy

Track Chair: Arkadiy Sakhartov, *University of Illinois at Urbana-Champaign*

The Corporate Strategy Interest Group focuses on the scope of the firm. Members of the group employ various theories and methods to examine how firms create and manage portfolios of their business, as well as how firms change such portfolios through diversification, refocusing, vertical integration, mergers & acquisitions, divestitures, and other activities concerned with corporate scope. Such changes often involve reallocation of corporate resources and are called upon by the turbulent environments in which firms operate. Accordingly, along with proposals related to the general domain of the Corporate Strategy Interest Group, we encourage theoretical and empirical submissions that further our understanding of (re)allocation of corporate resources in the contemporary turbulent environments. How do firms respond to shocks in the external environment by adjusting their resource bundles, business portfolios, internal structures, and external relationships? How should firms be governed to better adjust to environmental turbulence? How do firms renew their capabilities to tackle new challenges brought about by turbulent environments? How can firms take advantage of such turbulence?

Track G: Global Strategy

Track Chair: Esther Tippmann, *National University of Ireland Galway*

The Global Strategy Interest Group welcomes submissions on strategic challenges that are specifically relevant to organizations operating in the global context. This includes corporations with different purposes, such as commercial, social or hybrid missions. Relevant topics for the Global Strategy track include, but are not limited to, cross-border corporate or business strategy, headquarter-subsidiary relationships, foreign entry and internationalization strategies, and the impact of political and institutional environments on global strategies. This year's conference theme is particularly relevant to global strategy scholars as many external turbulences and disruptions cut across international borders and across the local, regional, and global strategies of organizations. Turbulence is particularly challenging for globally dispersed organizations, due to the global connectivity and international interdependencies of value chains, knowledge creation, and innovation, as well as physical and digital flows. In currently turbulent times, organizations operating internationally are reassessing their exposure to political and digital risks, international locations, organization models, as well as financial, human, and knowledge capital. Strategists are pushed to rethink what a winning global strategy looks like, what new opportunities and risks may present themselves, how to ensure strategic flexibility and dynamic responses across distributed operations, and where to draw the boundaries of the organization and allocate resources. We invite you to think out-of-the-box and submit imaginative and novel approaches to these and other questions related to global strategy in today's turbulent world.

Track H: Strategy Process

Track Chair: Carlo Salvato, *Bocconi University*

The Strategy Process Interest Group welcomes submissions that study how increasing environmental turbulence prompts transformations in how strategies are envisioned, implemented, changed, and governed. We welcome submissions that broadly address questions around strategy process as well as questions related to this year's theme and all four sub-themes. For example, turbulence in Economic Systems (Sub-theme A) raises questions about how strategy processes may change in response to geopolitical dynamics such as reshoring, and how rapidly evolving threats to cyber security will alter how strategies, alliances, and partnerships are adapted. The emergence of new Organizational Structures (Sub-theme B) raises important questions about how managers and stakeholders envision, decide, and execute strategies alongside organizational innovations such as micro-modularized value chains of global firms, temporary organizations, disposable, modular, mobile, and virtual factories, disaggregated headquarters in hierarchical organizations, collaborative and community-based organizational forms. The adaptation and innovation of Business Models (Sub-theme C) to address heightened turbulence arising from large-scale and difficult to predict changes in demand, supply, technology or stakeholder pressures requires a deeper understanding of how managers design strategic processes aimed at innovating value propositions and delivering them to the customers. Finally, heightened turbulence raises fascinating questions about how managers may proceed in Integrating Processes and Practices, which will require experimenting and introducing innovative strategy processes for managing financial, human and knowledge capital that can best support firms and their networks.

Track I: Knowledge and Innovation

Track Chair: Elizabeth J. Altman, *University of Massachusetts Lowell*

This year's conference theme aligns strategy, governance, and resource allocation considerations, especially in turbulent economic environments. The Knowledge & Innovation Interest Group (K&I IG), through concerning itself with studies related to how managers can leverage their knowledge base to build competitive advantage (often through innovation), considers these same and often overlapping and highly interconnected topics. The K&I IG addresses questions such as: What is organizational knowledge and where does it reside? What is the link between learning and innovation? How is knowledge shared between organizations? How can knowledge, learning, and innovation be managed better? For this conference, our IG seeks submissions that link the three areas of strategy, governance, and resource allocation in the context of modern topics associated with knowledge and innovation. Specific themes may include new technology adoption implications, shifts in innovation strategies, and development and adoption of new business models. Broadly speaking, example question areas may include open innovation and crowdsourcing, platforms and ecosystems, knowledge sourcing and sharing, implications of technology adoption, and organizational decision-making related to knowledge and innovation. In the best cases, papers should include acknowledgement of the roles and interdependencies of strategy, governance, and resource allocation.

Track J: Strategy Practice

Track Chair: Ignacio (Nacho) Canales, *University of Aberdeen*

The Strategy Practice Interest Group explores the activities through which actors make strategy. Thus, the interest group is interested in the myriad of activities, methods, and tools that actors perform in the doing of strategy-making, and how such "strategy work" contributes to organizational outcomes as well as the broader institutional environment in which it is embedded. We welcome all contributions aligned with our general interests, but we particularly seek empirical and conceptual papers from academics, practitioners, and consultants that engage with questions related to the role of strategy practices in turbulent environments and how these practices relate to governance, resource allocation and strategy alignment. We also welcome paper abstracts and panel proposals that critically examine the applicability of existing strategizing practices to tackle turbulent environments. It is inevitable that environmental changes affect the content of strategy, yet it is less clear how these change the practice of strategy. Indeed, we may have to rethink existing strategy practices. This includes the role of (digital) tools or the relevance of multiple, heterogeneous actors and their interactions in responding to strategic issues that are fast-changing and ambiguous, from both business and social perspectives. Fresh stories, sharing of best practices, use of innovative research methods, experimentations, and critical analysis are welcome. The Strategy Practice Interest Group is interested in how aligning strategy, corporate governance, and resource allocation in turbulent environment is done and undone in and through practice.

Track K: Entrepreneurship and Strategy

Track Chair: Gary Dushnitsky, *London Business School*

The Entrepreneurship and Strategy Interest Group invites submissions that shed light on entrepreneurial strategies, both in new ventures and established organizations, across nascent and mature markets and within high-tech and conventional contexts. The IG's objective is to advance knowledge for the development of effective strategies by entrepreneurial actors and for adoption of supporting entrepreneurial ecosystems. This year's conference theme of aligning strategy, governance and resource allocation is core to the entrepreneurial process including the discovery, creation, and capture of value. We hope these themes inspire novel entrepreneurship research studies and designs. Some of the questions that can engage with these themes include but are not limited to: How do entrepreneurs go about devising and/or revisiting their strategies? What are the unique challenges and structures associated with governance in entrepreneurial ventures, be that nascent start-ups, successful scale-ups, or those affiliated with incumbent firms? What are the factors affecting entrepreneurial resource assembly and allocation? What are the underlying mechanisms and have they changed over the recent years? How do entrepreneurial individuals and organizations align these issues to deliver impact?

Track L: Strategic Human Capital

Track Chair: Matthew Bidwell, *University of Pennsylvania*

The Strategic Human Capital Interest Group welcomes submissions on the relationship between human capital and organizational strategy and performance. Particular questions of interest include the ways that firms are able to derive competitive advantage from their employees, how firms compete successfully with one another in the labor market, and the barriers to and consequences of increasing workforce diversity. In keeping with the conference theme, we are particularly interested in submissions that address the turbulence generated by the dramatic changes taking place in workplaces and labor markets. Organizations have seen a wholesale shift to remote and hybrid work for many categories of employees. How

is this changing patterns of communication, as well as collaboration and innovation within firms? What are the implications for labor market competition when workers no longer need to live within commuting distance of their employers? Firms are also faced with heightened pressures for employee involvement in governance, as workforces engage in increased scrutiny of firms' social impact and their promotion of diversity. How are managers negotiating these pressures? More generally, the dramatic economic and geopolitical turbulence of recent years has highlighted the need to continually realign human resources with changing strategy. Submissions that address such topics of redeployment are particularly welcome.

Track M: Stakeholder Strategy

Track Chair: Mark DesJardine, *Pennsylvania State University*

The Stakeholder Strategy Interest Group focuses on understanding when, why, and how firms engage with their myriad stakeholders. These interactions can be direct or indirect and can be initiated by the stakeholders, the firm, or external events. Turbulent environments raise critical issues for stakeholder management, as they differentially impact both internal and external stakeholders, as well as the place of different businesses in the larger sociopolitical environment. Such environments raise important questions for managers related to strategy, corporate governance, and resource allocation, as they create new market opportunities and challenges for firms to navigate, new public policy problems for governments and nonprofits to address, and new issues of ethics and social responsibility that may affect relationships between activists and organizations. With the goal of contributing to our understanding of how stakeholder strategies create value, we invite both theoretical and empirical submissions that explore how these macro trends are affecting—and will continue to affect—the formulation and implementation of stakeholder strategies, as well as the outcomes of these strategies, at various levels of analysis, including the individual, firm, and society.

Track N: Cooperative Strategies

Track Chair: Nicholas Argyres, *Washington University in St. Louis*

The Cooperative Strategies Interest Group explores questions aimed at understanding when, why, and how cooperative arrangements emerge and evolve, what problems they tackle, and what impact they have on outcomes at the group, organization, portfolio, network, and ecosystem levels. The theme for the 2023 conference emphasizes managing in turbulent environments, and suggests important opportunities for research on cooperative strategies. What are the challenges of building effective collaboration in a more turbulent world? For example, how do firms respond if turbulence makes it difficult for their strategic partners to follow through with their commitments to cooperate? What kinds of cooperative arrangements have the best chance of surviving in turbulent environments? Should firms rely less on cooperative strategies during such times? Along with proposals that address the ongoing conversations in the interest group's domain, we thus seek submissions that center on the role that cooperation plays in a turbulent world. We particularly welcome studies that uncover meaningful trends in the cooperative arrangements (e.g., alliances, public-private collaborations, networks, platforms, ecosystems); that respond to greater turbulence; that identify collaborative solutions for tackling problems that arise in turbulent environments; and that examine the role of cooperation in creating win-win solutions for addressing global challenges.

Track O: Strategic Leadership & Governance

Track Chair: Guoli Chen, *INSEAD*

This year's conference theme is particularly relevant to Strategic Leadership and Governance (SL&G) scholars because corporate governance, one aspect of the, is the central research question in this track. In turbulent environments, scholars and practitioners' interests in governance have been extended from internal reporting lines to external governance by incorporating broader stakeholder groups, which include not only the investors, but also employees, customers, suppliers, communities, etc. The recent development in stakeholder governance has raised unprecedented pressures and demands for organizational leaders who are directly responsible for formulating and implementing strategies. How do CEOs and top management teams align the interests of stakeholders and allocate resources in balancing the short-term and long-term considerations, from different perspectives, in turbulent environments? How do leaders build competitive advantages, enhance creativity, and promote sustainability? What are effective strategic leadership and governance in managing new technologies and their potential impacts on various stakeholders? How to address grand societal challenges, and shape diversity and inclusion in organizations? The SL&G Interest Group invites proposals that have the potential to generate novel insights into the above questions and beyond. We welcome ideas that push the frontiers of research and practice on strategic leadership and governance in general.

Track P: Behavioral Strategy

Track Chair: Daniella Laureiro-Martinez, *ETH Zurich*

The Behavioral Strategy Interest Group sponsors research that applies related behavioral and social science disciplines to strategic management theory and practices. We encourage disciplinary and interdisciplinary research grounded in realistic assumptions about human motivation, cognition, emotion, decision making, social interactions, networks, culture, and organizational systems. Behavioral strategy is multidisciplinary and highly pertinent to this year's conference theme. By relying on multiple lenses, we can better help explain how organizations and individuals create and implement strategies that are adaptive enough to succeed in environments characterized by greater turbulence, volatility, uncertainty, complexity, and ambiguity. Along with proposals related to the general domain of the Behavioral Strategy Interest Group, we encourage submissions that offer theory and evidence built on realistic assumptions about the behaviors needed to adaptively align strategy, governance, and resource allocation in conditions of higher environmental turbulence.

COMMUNITY TRACKS

Track R: Research Methods

Track Chair: Anne Jacqueminet, *Bocconi University*

Conducting research on and during turbulent times poses unique challenges to Strategy scholars and calls for novel and rigorous qualitative and quantitative empirical methodologies in Strategic Management Research. The theme of the 2023 SMS conference also encourages scholars to study complex phenomena, at the intersection of multiple disciplines and levels of analysis. While all papers that have important methods contributions relevant to strategy will be welcome, we particularly encourage papers or sessions that focus on novel approaches to measure, describe, and explain the impact of turbulence on firm strategies, and help researchers embrace the complexity of the issue through multi-disciplinarity and multi-level approaches.

Track T: Teaching Community

Track Chair: Felipe Monteiro, *INSEAD*

In an increasingly volatile, uncertain, and turbulent world, the Teaching Community welcomes proposals that address the challenges faced by educators teaching strategy at the undergraduate, graduate, and executive levels. How can we adjust not only our teaching content but also its delivery to the new global context? As many organizations adopt hybrid models of work, what are the new developments in terms of hybrid teaching? What will be the role of new technologies (for instance VR, AR, Metaverse) in our classrooms? Are course syllabi in sync with the actual strategic challenges business leaders are facing today? What is the role of business school leaders (Deans, Associate Deans, Program Directors) in making sure MBA curricula are still relevant and have a positive impact in the world? What are the main avenues for collaboration among academics, business leaders, and consultants in rethinking and redesigning our strategy courses.