



Rising Scholars Conference
Strategy Student Research Presentations

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I am Susie Choe, a Ph.D. candidate in the Strategy department at the University of Michigan. My research delves into how producers' ascribed identities (e.g., ethnicity, race) shape their evaluations in markets. I aim to uncover how identity plays a pivotal role in shaping strategic choices, ultimately impacting value creation and appropriation. My broader goal is to shed light on how market competition reflects and/or reifies societal stratification by producers' identities.

Abstract:

The “Who” and “How” of Producer Authenticity: How Producers’ Ascribed-identity Alignment Governs Authenticity Perceptions

I propose the Conditional-Compensatory Framework, whereby audiences evaluate producers' authenticity based on not only their production choices (i.e., “how one produces”), as featured in prior work, but also their ascribed identities (i.e., “who produces”). Specifically, I argue that production choices compensate for inauthentic identities but that such choices—and their authenticity implications—are conditional on producers' identities. Thus, this study examines whether producers' ascribed identity (e.g., ethnicity) is an important basis of authenticity perceptions and, if so, the extent to which those with identities misaligned with audience expectations may overcome their disadvantage.

The proposed framework is tested in a two-part study. An archival study of Japanese restaurants on Yelp from 2008 to 2019 establishes a positive correlation between identity alignment and authenticity perceptions; audiences perceive Japanese-owned restaurants as more authentic than those owned by producers of other ethnicities. An experimental study further shows that identity governs authenticity perceptions both directly, independent of production choices, and indirectly by conditioning the returns of those choices. Thus, authenticity is indeed shaped by production choices but more so by “who” makes those choices. I consider how authenticity judgments may constitute a socially legitimated basis for discrimination and further lead to producer stratification within markets, calling for a distinctly sociological view of strategy.

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Mr. Kalan Horton, is an Arkansas native, with a Bachelor's of Science in Construction Management and an MBA from the University of Arkansas at Little Rock. He is presently dedicated to the pursuit of his PhD in Strategic Management at the Florida State University. His journey is fueled by a fervent quest to gain deeper insights into the intricate landscapes of business ecosystems and non-market strategy. With an unwavering drive and an insatiable appetite for challenges, his research centers around the evolution of business ecosystems, currently from the Complex Adaptive Systems perspective, as well as the role of ideological competition in competitive market settings. Beyond his academic pursuits, he is an advocate in his community, a passionate volunteer, and a trusted mentor to numerous individuals.

Abstract:

Complementor Evolution, Power-Dependence and Performance

In today's economy, platforms are gaining significant influence and attention. These platforms act as coordinating interfaces that facilitate interactions between different user groups, such as complementors who provide services or products, and end-users (Kretschmer et al., 2022; Jacobides et al., 2018; Iansiti & Levien, 2004; Li & Zhu, 2021; Cennamo & Santalo, 2013; Katz & Shapiro, 1985, 1994). Platforms can take various forms, including physical entities (e.g., shopping malls and video game consoles) or digital platforms (e.g., social networking and e-commerce websites) and their performance is heavily influenced by network effects (McIntyre & Srinivasan, 2017; Reitveld & Schilling, 2021). On the consumer side, a larger user base leads to more direct connections between users (direct network effects) and attracts more complementary products and/or service providers (indirect network effects). Both of which enhance the overall value of the platform's ecosystem (Evans, 2003; Garud & Kumaraswamy, 1995; Katz & Shapiro, 1994). The traditional understanding is that platforms should adopt aggressive strategies to both attract high quality complementors and increase the number of users, creating a mutually beneficial cycle. However, research primarily focused on the actions of platforms themselves, neglecting the strategic moves of complementors.

Complementors, which are businesses or individuals providing complementary products or services within a platform ecosystem, are not passive players (Cennamo & Santalo, 2019; Wang & Miller, 2020). They seek to maximize profits from the platform while reducing their dependence on it (Daymond et al., 2022; Wang & Miller, 2020). One common strategy is multihoming, where complementors engage with multiple platforms simultaneously, allowing them to diversify their user base and reduce reliance on any single platform (Barua & Mukherjee, 2021; Li & Zhu, 2021; Park et al., 2020; Parker & Van Alstyne, 2005). But there's another dimension to the evolution of networks beyond multi-homing: network integration. This concept involves removing the boundaries between platforms to enable seamless user interactions across different platforms. Network integration often relies on the internet as a conduit to connect users from various platforms. When implemented effectively, network integration can substantially increase the value of the complement and reduce its dependence on individual platforms.

To investigate how complementors can rebalance power-dependence relationships within platform ecosystems, this study combines power-dependence theory (Emerson, 1962, 1964; Pfeffer and Salancik, 1978) and network economics (Katz & Shapiro, 1985, 1994). It explores

how complementor evolution, as a function of its evolving network (Venkatraman & Lee, 2004), reduces dependence and enables more power balance within ecosystem dynamics. Network integration, as the next step beyond multi-homing, is a focal point of the research. The study uses a quantitative analysis of the impact of network integration within the U.S. video game industry as its empirical context. It analyzes over 14,000 video game titles across 36 focal platforms between 1977 and 2022, examining the relationships between platform dependence, complementor evolution, and performance. Using a fixed-effects linear regression (Lee, 2021), we find support for our hypotheses indicating complementor evolution is negatively related to platform dependence and positively related to complementor performance.

This study stands to contribute to power-dependence theory by integrating network economics to further develop power balancing strategies. Further, the study has practical implications for both platform sponsors and complementors in navigating evolutionary dynamics within ecosystems.

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Der-Ting Huang is a fifth year PhD candidate in Business Administration at the University of Illinois at Urbana-Champaign, with concentrations in International Business and Strategic Management. Her research focuses on location strategies, institutions, and knowledge management in an international context. She will be on the job market next year for the 2024-2025 cycle.

Abstract:

Navigating the Geographic Scope of Knowledge Portfolio in Foreign R&D Investment Locations: A Delicate Balance

The literature has acknowledged that geographic dispersion in firms' R&D knowledge stock can be a double-edged sword. While accumulating R&D resources from diverse countries fosters innovation capabilities, it also poses challenges in knowledge coordination. Following this logic, multinational corporations (MNCs) with highly geographically dispersed R&D knowledge might not find further knowledge expansion optimal. However, it remains a puzzle why several MNCs, despite having extensive geographic dispersion in their R&D knowledge bases, continue to seek knowledge through foreign R&D investments.

This study addresses this dilemma by examining how MNCs' knowledge portfolios influence their location strategies from a coordination perspective. I submit that firms strategically choose to conduct international R&D investments in either industry clusters or non-cluster locations within selected foreign countries based on the geographic configuration of their existing knowledge bases. I consider firms' differential coordination costs influenced by the density of industry peers clustering together in investment locations. Using data from MNCs' foreign R&D investments in the United States between 2004 and 2020, I find that the more geographic dispersion, the lower the likelihood of undertaking R&D investments in industry clusters vis-à-vis non-cluster locations due to coordination challenges. Such a tendency is positively moderated when MNCs originate from home countries with higher trade integration, which mitigates the coordination costs associated with managing dispersed R&D assets.

This study provides managerial insights into firms' knowledge management by proposing an active approach MNCs can adopt with their location strategies. It also sheds light on MNCs' potential to provide opportunities to local innovation systems in foreign countries by investing in non-cluster locations.

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I'm Tara Li, a Ph.D. candidate in Strategic Management at Drexel University, currently on the job market. My research interest is rooted in innovation, especially in how a firm's knowledge characteristics influence search and learning during the innovation process. I investigate this within the pharmaceutical and semiconductor sectors. My findings indicate that when a firm's knowledge components are closely intertwined, it may be less inclined to search externally but can potentially learn more effectively internally. This paper aims to enhance firms' knowledge management and shape suitable innovation strategies. My research domains also span organizational learning, search, design, and entrepreneurship. I'm delving into a project focused on the resilience of startup entrepreneurs, particularly their strategies post-setback and innovative resource recombination. Methodologically, I employ a blend of econometric analysis, conceptual studies, and computational modeling. Before embarking on my academic journey, I dedicated six years to the IT industry, transitioning from Lenovo to Microsoft, which has also profoundly enriched my academic perspective.

Abstract:

The Differential Effects of Knowledge Complexity on Search and Learning Outcomes in the Process of Innovation.

Search and learning are key drivers of innovation, serve different purposes, and occur under different conditions. Search is a problem-oriented activity and is governed by explicit rules that direct the attention to uncovering solutions or opportunities (Cyert & March, 1963:169). It's the tactical move to fill knowledge gaps (Rosenkopf & Nerkar, 2001). Learning is a broader, more systemic process that involves the interpretation of new knowledge into existing knowledge bases (Cyert & March, 1963:172). It is the strategic process of assimilating and integrating new knowledge into the firm's existing knowledge base over the long term (Argote, 1999; March, 1991). In short, while search is about the 'What' and 'Where' of the innovation, learning is about the 'How' of assimilating new knowledge into the existing operations.

Confounding search and learning in theoretical discussions might cause misconceptions, particularly in organizations with complex knowledge structures. A deep understanding of the interdependence among knowledge components can amplify learning effectiveness (Kogut & Zander, 1992), yet the complexity might deter effective searching due to anticipated chain reactions of changes and resource constraints (Levinthal, 1997). In this paper, I ask: What role does complex knowledge play in shaping search and learning during the innovation process?

I examine this question by focusing on two distinct industries frequently studied in the innovation literature: pharmaceutical and semiconductor. Using USPTO patent data from 3,221 firm-years in the pharmaceutical industry and 1,066 firm-years in the semiconductor industry, I construct measures for search and learning outcomes and knowledge complexity and distinctiveness. I use Panel Data Linear Models with fixed effects at year and firm. The findings from both industries support my theory, revealing that knowledge complexity challenges search but strengthens learning, and the relationship is moderated by knowledge distinctiveness.

Overall, this research contributes to the literature by disentangling search and learning and elucidating the differential effects of knowledge complexity on organizational search and learning outcomes. It provides not only a theoretical tool but also a strategic guide for firms.

Firms can leverage the insights to tailor their search and learning strategies based on the complexity and distinctiveness of their knowledge, thereby maximizing their innovation potential. Hence, this study contributes a substantial theoretical advancement with practical implications, enriching the field of organizational innovation.