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Rising Scholars Conference
Strategy Student Research Presentations

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Nikisha Alcindor is a Ph.D. student at Zicklin School of Business, Baruch College of the City University of New York. She specializes in Strategic Management, and her research examines the success rates of Mergers and Acquisitions (M&A) by applying artificial intelligence and machine learning to decision and risk analysis. Nikisha holds a BA in Chemistry from Emory University and an MBA from Columbia Business School as a Leon Cooperman Scholar.

ABSTRACT:

Scholars in strategic management have long demonstrated interest in how Chief Executive Officer (CEO) characteristics, such as personality, influence strategic decisions such as mergers and acquisitions (M&A) (Chatterjee & Hambrick, 2011; Herrmann & Nadkarni, 2014). Upper echelons theory posits that CEOs and Top Management Teams (TMT) directly influence organizational decision-making based on their demographics, values, and personalities (Hambrick, 2007), with recent research focusing on how specific components of personality influence M&A in terms of completion (Aktas, de Bodt, Bollaert, & Roll, 2016; Malmendier & Tate, 2008) as well as post-acquisition performance (Renneboog & Vansteenkiste, 2019).

However, there has not been a comprehensive overview of how all the different components of personality impact CEO decision-making, particularly during M&A. The question then is, what are the conditions under which the personality of a CEO pursuing M&A impacts decision making, and which CEO personality traits incorporate investor feedback into decision making. This paper extends upper echelons research by investigating how CEO personality traits influence strategic decision-making and how these personality traits incorporate investor feedback.

This research draws from personality literature and explores how the Five-Factor Model (FFM) of personality (McCrae & Costa, 1985) influences strategic decisions and M&A outcomes. The FFM personality traits are agreeableness, conscientiousness, extraversion, openness, and emotional stability (neuroticism). In addition, I argue that certain personality traits will lead to different decisions and explore how some personalities react to investor feedback of the deal announcement. With announced M&A transactions totaling $3.37 trillion in 2019 worldwide and a high of $4.9 trillion in 2007 (Institute of Mergers, Acquisitions, and Alliances, 2020), the importance of understanding how the decision making of a CEO impacts M&A outcomes is increasingly important.

Using SDC Platinum as a data resource, this study's sample-set includes acquiring firm CEOs of US public companies who completed an M&A. Following a similar sampling strategy to that of Betton, Eckbo, and Thorburn (2008), the sample set will consist of acquirors with majority interest, remaining interest, or partial interest. The acquiror must own less than 50% before the transaction and take a 50% or more control position after the transaction. In addition, the transaction size will be greater than $5 million to exclude small deals with little impact. The Open Language Chief Executive Officer Personality Tool (OLCPT) will use machine learning and artificial intelligence to measure CEO personality traits on a 7-point scale (Harrison, Thurgood, Boivie, & Pfarrer, 2019). The acquiror CEO responses in the question and answer (Q&A) portion of earnings calls will be analyzed over multiple years because middle-aged personalities do not change over time (Harrison, Thurgood, Boivie, & Pfarrer, 2020; Roberts, Walton, & Viechtbauer, 2006). The Q&A portion of the transcript is acceptable in this analysis because CEOs use everyday language to answer these questions. The stress-induced in this portion of the call reveals extraversion more readily, allowing for a good measurement of extraversion (Dewaele & Furnham, 1999; Malhotra, Reus, Zhu, & Roelofsen, 2018).

Preliminary results show that certain CEO personality traits influence M&A outcomes and determine the incorporation of investor feedback.

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PhD student studying political diversity in organizations. Interested in exploring the organizational effects of political polarization and the ways animocity from partisanship can be ameliorated in the organizational context.

ABSTRACT:

Working With the `Enemy': Embedded Coopetition, Free Space, and Cold War Collaboration Between NASA and the Soviet Space Program

Although collaboration between competing organizations is one of the most challenging tasks in management, scholarly knowledge about microprocesses that facilitate collaborative interaction between members of organizations embedded within alternative and potentially rivalrous institutional systems is limited. We conducted a historical case study of the Apollo-Soyuz Test Project, a collaboration between space programs of the United States (US) and the Union of Soviet Socialist Republics (USSR) during the Cold War. Our study demonstrates that formal and informal `free spaces' are necessary to generate common ground between members of two organizations with a history of rivalry and enable the resolution of technical and cultural differences. By grounding these findings in the literatures of coopetition management and evoking the sociological concept of free space, our work contributes to literature on interorganizational collaboration embedded in complex institutional environments.

Keywords: Coopetition; Institutional Rivalry; Free Space; Organizational History; Oral History Analysis

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Tony He is a doctoral candidate in applied economics at The Wharton School of the University of Pennsylvania. His research examines how corporate political strategies shape the nonmarket environment in which firms and their rivals compete. Before joining Wharton, Tony was a Senior Researcher at Harvard Business School, where he wrote case studies on business-government cooperation and economic development in emerging markets.

ABSTRACT:

The Institutional Constraints of Corporate Political Connections

Prior empirical studies have generated mixed results on whether corporate political connections (CPCs), defined as the interpersonal ties that connect a firm's managers or board members to agents with political power, provide value to firms. In this project, I argue that because the abilities of political agents vary with the institutional environment, so do the benefits that firms might gain from cultivating relationships with such agents. Despite this importance of institutions in determining the value of CPCs, a "large share of recent CPC research relies on evidence from single-country contexts" (Cui, Hu, Li, & Meyer, 2018: 393). Furthermore, past papers generally consider a political connection to be a former or current head of state, cabinet-level minister, or national legislature member--very high-level politicians who comprise a small subset of political agents, which suggests that the prevalence of CPCs might be underestimated in the literature.

I address these research gaps by constructing a novel panel dataset with an extensive coverage of the political connectedness of European firms to examine how the institutional environment moderates the financial value of CPCs. I link (1) the names of 118,252 top managers and board members from 6,530 public firms across 28 European countries; (2) information on public procurement contracts worth about 92.6 billion in Europe from 2009 to 2017; and (3) proprietary data on the identities of so-called politically exposed persons (PEPs), defined as political agents entrusted with public functions, as well as their immediate relatives and close associates, who fall under a set of legal compliance definitions. Because PEPs include not only heads of state, cabinet-level ministers, and national legislature members but also government agency officials, diplomats, political party figures, senior ministerial staff, senior political advisors, and the relatives and close associates of these political agents, my linked dataset provides a much more comprehensive coverage of political connectedness than previously available in the literature.

To identify the value of CPCs, I exploit variation in the unexpected gain of political connectedness of firms' top managers and board members across time. I define a "shock connection" as an occurrence in which one of the firms' top managers or board members becomes a PEP at least one year after being hired; and I employ a model with year and firm fixed

effects to examine the effect of these shock connections on the value of public procurement contracts won. I find that on average, a political connection increases the annual value of public procurement contracts that firms win from government agencies by about 3.7 million. However, this value of political connectedness is moderated by stronger national institutions that enable different bodies of government to check one another's power, with the model suggesting an annual 10.7 million difference in the effect of a political connection on public procurement contracts between countries with the weakest (Malta) and strongest (Denmark) of such institutions in 2017. I also find that when these institutions are weaker, firms become more likely to hold political connections, and the competition between rival firms to form political connections intensifies, suggesting that nonmarket competition in the political arena becomes increasingly consequential as the constraints of political patronage are weakened. To the extent that government-business ties in weak institutional environments facilitate reciprocal resource exchange for both political and corporate actors in ways that entrench their positions (Acemoglu & Robinson, 2008), the expansion of corporate political connections in response to rent-seeking and competitive pressures implies that institutional decline and government-business patronage might be mutually reinforcing.

For scholars of nonmarket strategy, I contribute to evidence that the institutional environment is a key determinant of the benefits that a political strategy might provide. My results thus emphasize the need to contextualize our research and understanding of political strategies within the institutional context of each study. In addition, I contribute to the study of political economy in management by extending evidence on the constraining power of institutions on political agents to influence the competition for economic rents between firms.

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Maurice J. Murphy is a strategy PhD candidate in the Management and Organization Department at the Marshall School of Business. He has a BA from Columbia University, an MA in teaching from the School for International Training, and an MA in management from Durham University Business School in the UK. Maurice's research interests are in the areas of corporate political strategy, entrepreneurship, corporate activism, and corporate social responsibility.

ABSTRACT:

An Emerging Form of Constituency Building:
Exploring the Antecedents of User Lobbying Amongst Tech Startups

Anecdotal evidence seems to indicate that nascent entrepreneurial technology startups with disruptive business models (henceforth referred to as tech startups) are more inclined than other firms to use information communications technologies (ICTs) to facilitate the political mobilization of their grassroots stakeholders (i.e. customers and platform users) as a means to protect themselves from incumbent and regulatory attack (Tusk, 2018). For instance, social networking platforms like Reddit and Nextdoor have utilized ICTs to mobilize their users in the fight for net neutrality to preserve internet freedoms. Ride-sharing firms Uber and Lyft have been mobilizing their users within major metropolitan areas to challenge legislation under consideration by municipal and state governments—often times at the behest of the taxi industry—that would negatively affect the ability of these companies to operate. Similarly, home-sharing firms Airbnb, Homeaway, and VRBO have been mobilizing both their hosts and guests to promote policies that would protect their niche in the market. As these cases elucidate, tech startups are increasingly engaging in a nascent form of constituency building (one of the three generic corporate political strategies)—which Stempeck (2015) refers to as user lobbying—wherein they are using ICTs to mobilize their customers and platform users to further their political agenda.

Albeit the existent research has discussed the importance of certain firmographic and environmental factorson the likelihood that a firm will engage in constituency building, it has yet to consider the effect of ICTs on this relationship (Lord, 2000a). Moreover, the current empirical work on constituency building has focused exclusively on large firms (e.g. Hertel-Fernandez, 2018; Walker, 2012, 2014), while earlier work has asserted that to effectively employ this political strategy firms need to be both large and in possession of a sizable employee, customer, shareholder, and/or local community member base (e.g. Heath et al., 1995; Hillman & Hitt, 1999; Lord, 2003). This assumption is important to bear in mind when taking into consideration the preponderance of circumstantial evidence, which suggests that tech startups are relatively prominent in employing this political tactic (i.e. user lobbying) to mobilize their customers and users (Holburn & Raiha, 2017; Stempeck, 2015; Tusk, 2018). Hence, in this work, I seek to answer the following research questions: *why do some tech startups engage in user lobbying, while others do not? And why do some tech startups do so more than others?*

Methods and Findings
Using print media coverage of user lobbying efforts by high performing tech startups, I examine the extent to which a firm's disruptiveness, gigness, and market-based capabilities (e.g. B2C and platform capabilities) affect its propensity to

engage in this political tactic. This novel measure is the first of its kind to directly measure constituency building as opposed to using firm self-reports or some proxy thereof. To test my hypotheses, I use a sample of approximately 300 unicorn companies (i.e. tech startups with a valuation of one-billion-dollars or more) headquartered in the United States. My initial findings from this novel dataset seem to indicate that approximately 60 of the unicorns in my sample have utilized user lobbying at least once since their inception. Preliminary findings also seem to suggest that disruptive, sharing economy, and platform-based startups are more likely to employ user lobbying when compared to their counterparts not possessing these characteristics. ImplicationsUltimately, this work contributes to the social movements, stakeholder management, and nonmarket strategy literature (e.g. Aranda & Simons, 2018; Hiatt et al., 2009; Leitzinger et al., 2018; McDonnell & Werner, 2016; Soule, 2018), in general, and the constituency building literature (Baysinger, 1984; Baysinger et al., 1985; Hertel-Fernandez, 2016, 2017, 2018; Hillman & Hitt, 1999; Jia & Mayer, 2016; Keim, 1981; Keim, 1985; Keim et al., 1984; Lord, 2000a, 2000b, 2003; Lyon & Maxwell, 2004; Sethi, 1981; Walker, 2009, 2012, 2013, 2014), in particular, in several key ways. Firstly, it extends theorizing on political markets (e.g. Bonardi et al., 2005; Kingsley et al., 2012) by drawing on field theory (e.g. Evans & Kay, 2008; Fligstein, 1996, 2001; Fligstein & McAdam, 2011; Goldstone; 2004) to elucidate the competitive dynamics between insurgent firms and incumbents within a strategic action field. Secondly, this study proposes a novel measure of constituency building, which for the first time directlymeasures the use of this political strategy by firms as opposed to some proxy thereof. Thirdly, it allows us to finally account for the impact of ICTs on the constituency building process (Lord, 2000a). Fourthly, this manuscript contributes to the extant literature by dispelling the fallacy currently permeating constituency building research, which asserts that only large well-resourced firms are capable of inducing the mobilization of organizational stakeholders in pursuit of achieving their political goals (Heath et al., 1995; Hertel-Fernandez, 2018; Hillman & Hitt, 1999; Lord, 2003). Finally, this work allows us to collectively consider the effect of tech startups and their persuasive technologies on the very notion of democracy itself (Fogg, 2008, 2009).