



RESEARCH DAY 2019

PhD Posters

Does the Deferential Black Man get to Lead?

Camellia Bryan (Organization Studies), Chris Bell

Introduction

- Deferential behaviour signifies an awareness of hierarchy (Brescoll, 2011)
- Black men who exhibit dominant behaviour, such as bragging, experience significant reprisals (e.g. lower compensation) from the dominant community (Hall & Livingston, 2012).
- It is important for the less powerful to show deference towards others, signifying that they are contained and recognize their role in society (Goffman, 1956).
- Although research has examined behaviour that is detrimental for black male leaders (i.e. agentic), there still remains a lack of knowledge on the behaviour that garners advantage for them (i.e. deferential)

Research Questions

- **How do people react to Black men who exhibit deferential behaviour towards dominant racial group members in comparison to other Black men?**
- **How do people react to Black men who exhibit assertive behaviour towards dominant racial group members in comparison to other Black men?**



Methodology

- Undergraduate business students (N = 323) were randomly assigned to one of four conditions: (1) Black men showing deference towards Deferential White men, (2) Black men showing assertiveness towards Deferential White men, (3) Black men showing deference towards Assertive White men, (4) Black men showing assertiveness toward Assertive White men
- All subjects evaluated same-race interactions of Deferential Black men, Assertive Black men, Assertive White men, and Deferential White men as baseline measures.

Results

- Black men who showed deference towards White men (M= 2.60, SD= 0.71) were given significantly higher ratings of expected career position than Black men who showed deference towards other Black men (M=2.16, SD= 0.80) $p < 0.001$.
- Black men who showed deference towards White men who showed deference (M= 3.7 , SD= 0.8) were rated as deserving significantly more power than White men who showed deference towards Black men who showed deference (M= 3.37, SD= 0.9) $p < 0.001$
- White men who showed deference towards Black men (M= 2.24, SD= 0.86) were given significantly lower ratings of expected career position than White men who showed deference towards other White men (M= 3.4 , SD= 0.79) $p < 0.001$
- Black men who showed assertiveness towards other black men (M= 3.64, D= 0.77) were rated significantly more likely to advance in their career than white men who showed assertiveness towards other white men (M = 3.36, SD = 0.78), $p < 0.001$

Discussion

- A preference for deferential black male leaders may serve to reinforce existing status hierarchies within society. People respond to acts of deference, such as constricted body language, with dominant behaviour (Tiedens & Fragale, 2003).
- It may be cognitively taxing for black men to continuously engage in these self-impression management strategies.
- This work highlights the different path that they must undertake as they work to step over the obstacles in their way

Creditors' Rights, Debt Capacity and Securities Issuance: Evidence from a Natural Experiment

Daniel Tut, Ph.D. Candidate (Finance)

Introduction:

- What are the effects of **stronger creditors' rights protection** on firms' financing choices and securities issuance?
- **Extant Literature:** Cross-country studies generally yield **inconsistent** results:
See: (+){La Porta (1997,1998), Acharya et al 2011}, (-){Vig (2013), Liu et al 2018}
- **This Study:** Exploits staggered adoption of anti-recharacterization laws by **seven U.S states** {TX, AL, NV, LA, VA, DL, SD} - between 1997 and 2005.
- These laws protect creditors from **Ch. 11 automatic stay clause** => Swift seizure of collateral during bankruptcy/financial distress

Hypothesis:

- **H1:** Anti-recharacterization laws are positively related to debt capacity
- **H1[b]:** Anti-recharacterization laws affect firms debt maturity
- **H2:** Anti-recharacterization laws are positively related to debt issuance
- **H3:** Anti-recharacterization laws are negatively related to equity issuance

Methodology:

- **Data:** Compustat North-America: U.S Firms, Sample Period: 1990-2012
- **Identification Strategy:** **Difference-in-difference:** Compare firm's debt financing and securities issuance before and after the state adoption of anti-recharacterization laws

Results:

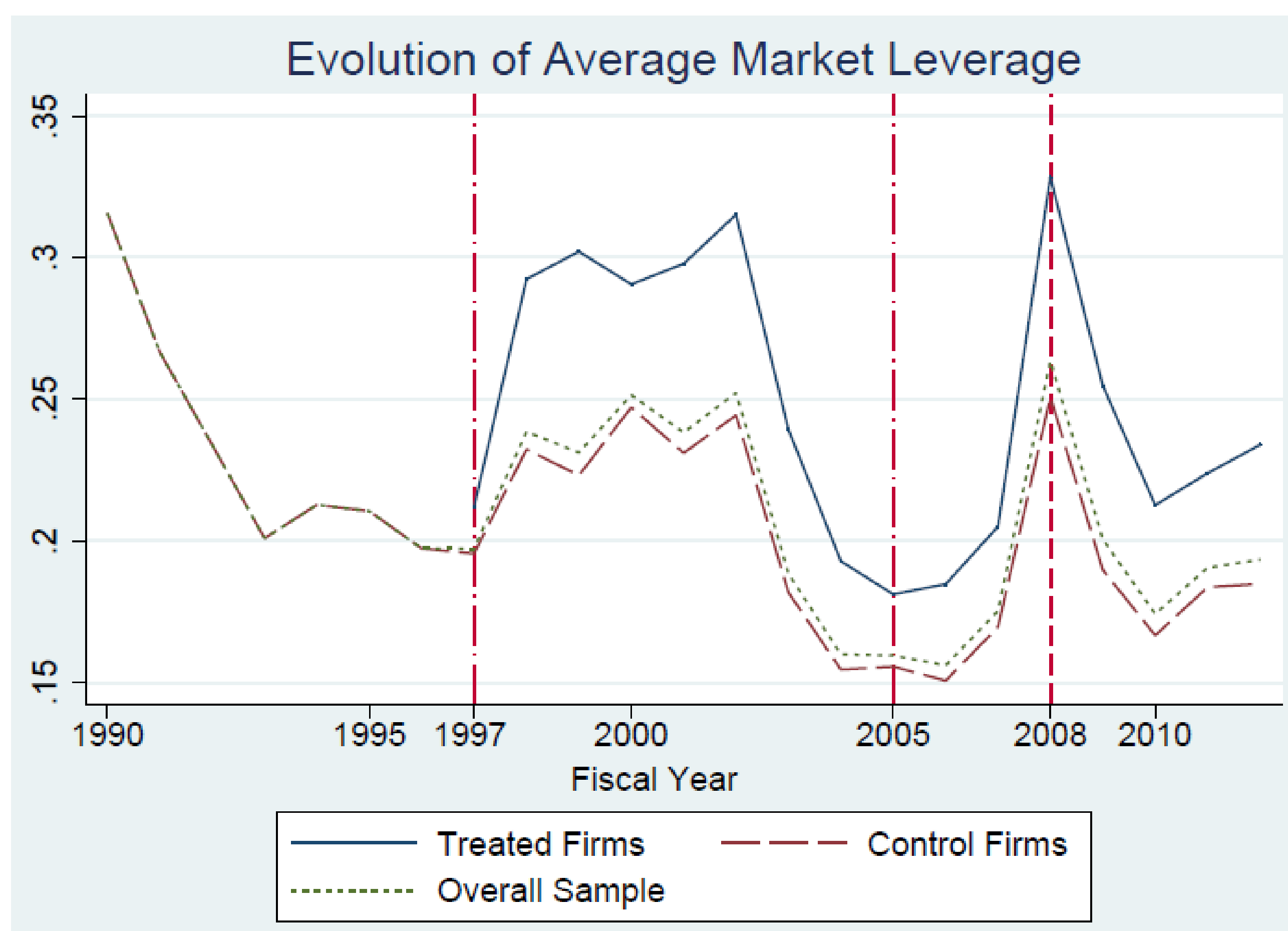
- **Debt Capacity:** Firms on average increase leverage after the passage of the laws
- **Debt Maturity:** Firms substitute costly short-term debt financing for long-term debt financing after the passage of the laws
- **Securities Issuance:** Firms increase debt issuance and decrease equity issuance after the passage of the laws => Significant utilization of debt financing over equity
- Results on securities issuance are more **pronounced** for active issuers than for passive issuers

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Leverage	LT_Debt	ST_Debt	Debtiss	Equityiss	ActiveDebtiss	ActiveEqiss	EquityRep
Laws	0.0127*	0.00601*	-0.00452*	0.0189*	-0.0264***	0.0522*	-0.103***	0.00870***
	(1.75)	(1.73)	(-1.93)	(1.66)	(-2.94)	(1.70)	(-4.43)	(5.82)
Firm Controls	YES	YES	YES	YES	YES	YES	YES	YES
Firm F.E	YES	YES	YES	YES	YES	YES	YES	YES
Clustered Std Errors	YES	YES	YES	YES	YES	YES	YES	YES
Year F.E	YES	YES	YES	YES	YES	YES	YES	YES
N	103,649	96,890	96,890	47,304	94,952	14,272	21,826	82,998
R ²	0.124	0.253	0.0789	0.0123	0.218	0.0643	0.328	0.03

NOTE: t-statistics in parentheses: * p:0.10, ** p:0.05, *** p:0.01

Discussion:

- **Implications for Policy-makers:** Stronger creditor rights protection partially mitigate agency conflict and enhance lending=> Efficient capital markets



Acknowledgements: I appreciate the advice and support of my dissertation committee: Professor Kecskes, Professor Larkin, Professor Cao and my mentor Professor Milevsky . And support of the Schulich finance faculty

Variation Approach to Service Capacity of Cloud Computing Providers

Eugene Furman, M.Sc. (Operations Management and Information Systems)

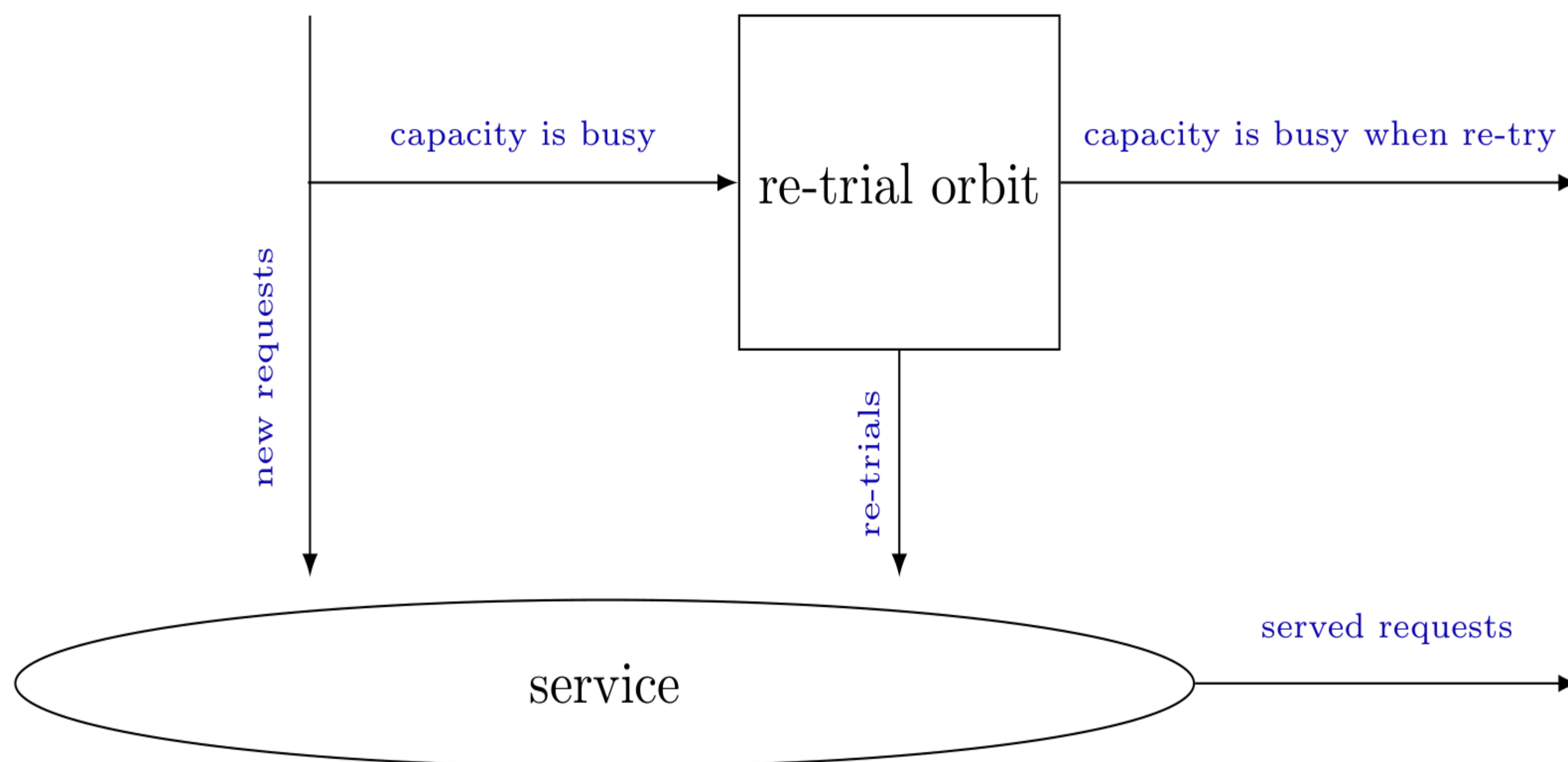
Abstract

Not burdened by hard logistical constraints, remote computing clusters (clouds) serve clients as demanding as Netflix and Instagram. Because a high level of service is critical in the cloud computing industry, its current practices allocate excessive service capacity which remains idle most of the time. In consultation with an employee of a major cloud service provider, we propose a cumulative decision tool that reduces the need for over-capacity and prescribes the optimal time between repeated requests for service after an initial failed attempt.

Research questions

- We optimize capacity of a cloud service as well as the design of its communication protocols with incoming requests to reduce over-capacity and increase revenue.
- How to select a cloud capacity to maintain high quality of service and to remain cost effective?
- How to determine the optimal inter-attempt time between repeated requests for service in order to minimize the expenses when idle capacity is not available?

Dynamics of the Service System



Proposed Methodology

The interaction between a cloud and new requests, as well as their attempts to obtain service after an initial failure, is modelled as a multi-server queueing model with flexible workforce and re-trials. We introduce a deterministic flow approximation, which allows us to analyze the behavior of the system by solving a set of differential equations. We propose a following optimization problem.

$$\min_{r \in \mathbb{R}_{\geq 0}} \int_0^T |\dot{q}(t)| dt, \text{ subject to}$$
$$\dot{q}(t) = \lambda(t) - rq(t),$$

where $\lambda(t)$ is a time dependent arrival function, $q(t)$ is a system load function and r is an inter-attempt time. By solving this problem, we determine the inter-attempt time that minimizes variation in the system load over time horizon T and introduce the maximum system load (MSL) approximation of the optimal service capacity as the floor of the maximum value of the system load function, $MSL = \lfloor \max q(t) \rfloor$.

Contributions and Future Work

- Uncommon in the literature, we reduce a stochastic queueing network to a set of linear ordinary differential equations that are *smooth* in the right hand sides.
- We borrow the analysis of variation of a real-valued function to open up our optimization problem to standard methods of calculus and optimal control theory.
- Prompted by the needs of practitioners, our work will help managers to reduce the over-capacity in their cloud computing services.
- In the future, we will conduct a data analysis to verify if the **MSL** is effective and if it satisfies the service level requirements of the cloud computing industry.

When a House Can't Be Your Home: How Markets Manage Supply Scarcity

Gulay Taltekin Guzel (Marketing)

Introduction

- Housing in contemporary North America is far beyond being a means of shelter and associated with being a *responsible adult* (e.g. Molina 2017; Wright 1983).
- The “dream of home ownership” is an illusive for even relatively privileged buyers
- Soaring prices in densely populated urban areas leads *scarce supply*, especially of affordable freestanding houses in major North American cities.

Research Question

- How markets “manage” such conditions of supply scarcity?
- How the notion of an “ideal” or “desirable” home is reshaped in the current context where people are unlikely to own a house?
- The roles of multiple actors (i.e., consumers, retailers, financial institutions, government, investors, constructors etc.) and their influences on this aspect of the housing market.

Proposed Methodology

- *City of Toronto*, housing market due to its dense core experienced two condo booms in 1970s and 2000s (Lehrer and Wieditz, 2009; Lehrer et al., 2010).
- *Ethnographic research* with secondary and primary data collection: local media articles (BlogTO, the Globe and Mail, Toronto Star etc.), reports from government agencies (Toronto Home Builders Association etc.), semi-structured interviews with prospective home buyers and new home owners

Importance/Implications of Research

- The phenomenon under investigation has multiple stakeholders such as government, municipality, consumers, sellers, realtor etc. and understanding the mechanism behind how they “manage” scarcity will contribute to well-being of the society especially the consumers by leading further discussions to potential solutions.
- Theoretically, the study will contribute to the consumer and market relationship literature by illustrating supply scarcity condition.

Next Steps

- Preliminary analysis of secondary data suggests that there is an unorchestrated yet pervasive tendency to re-conceive of condos as ideal homes for consumers yet they have difficulty reconciling the rhetoric to which they are exposed with the reality of the real estate the shop for or buy.
- To better understand the full range of market dynamics related to the management of supply scarcity, my next step is to complete primary data collection.
- Then, I will triangulate primary and secondary sources data in my analysis.
- Implications of the study aim to be socio-political by suggesting actions to multiple stakeholders with the purpose of consumer well-being.



1998



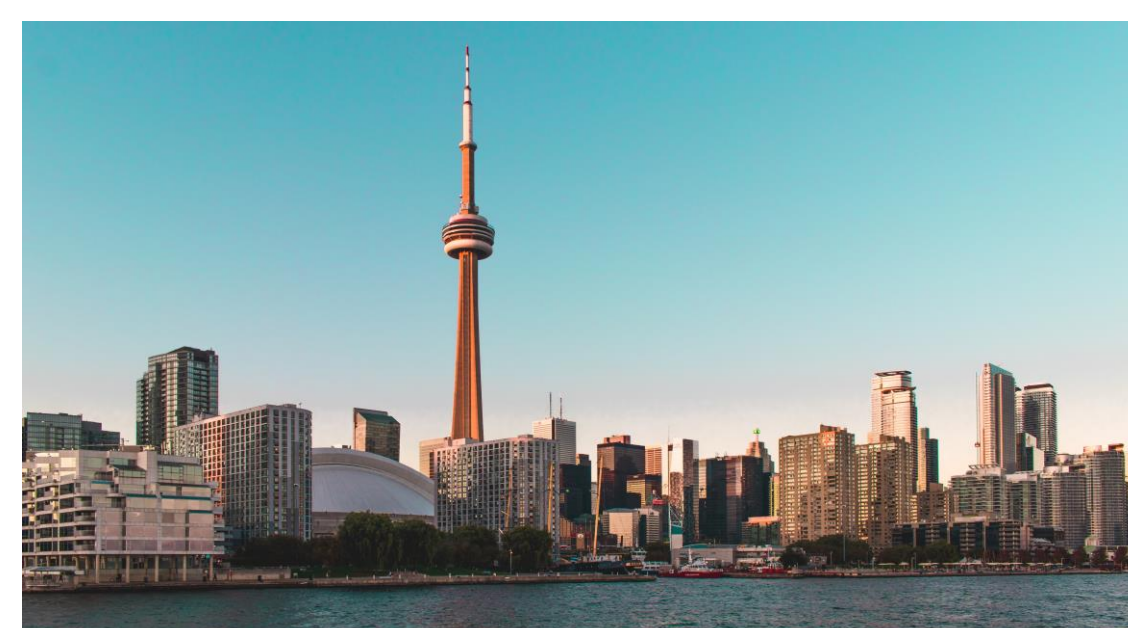
2002



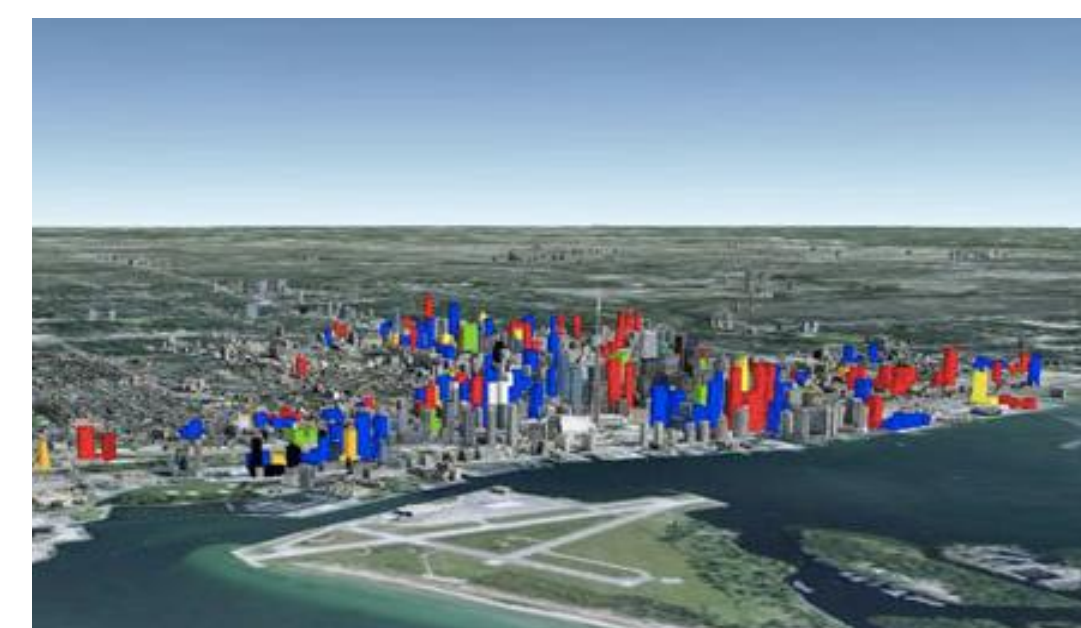
2009



2012



2018



2020 (planned)

Image sources: *Toronto Star*, *The Globe and Mail*, Google Maps

When Stigma Doesn't Stick: Occupational Stratification in the Sharing Economy

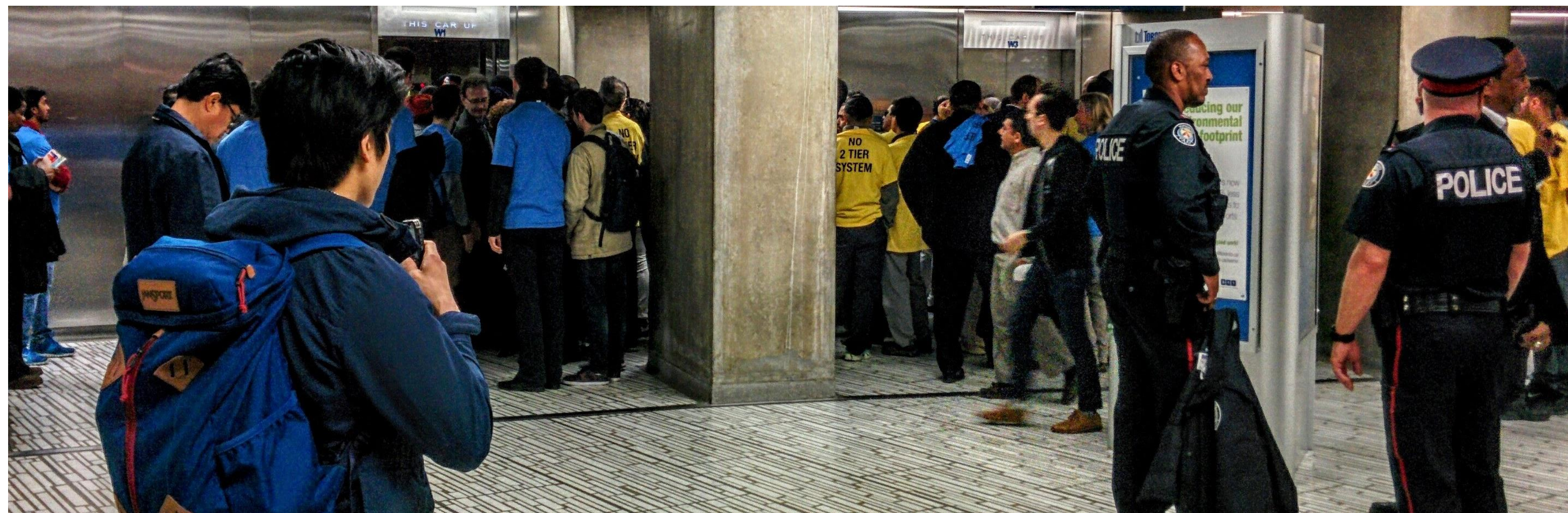
Kam Phung (Organization Studies), Madeline Toubiana, Sean Buchanan, Trish Ruebottom, and Luciana Turchick Hakak

Introduction

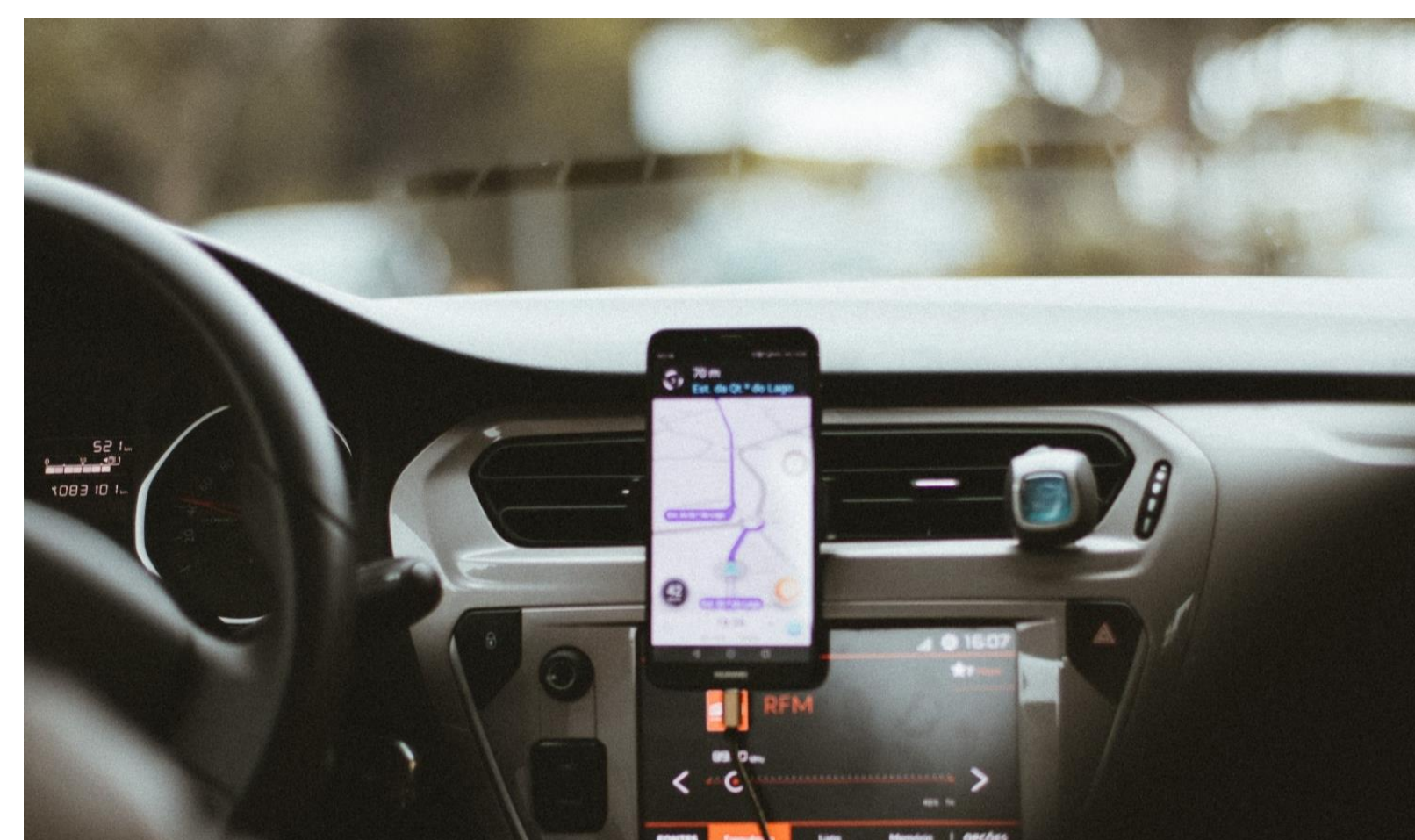
- Theory and research suggests that when an occupation is stigmatized, new entrants will quickly become stigmatized because stigma is transferable
- Such knowledge does not account for large shifts in the modern workforce that are changing the face of many traditionally stigmatized occupations
- The emergence of the “sharing” or “gig” economy has radically re-defined many occupations and raised questions about the degree to which stigma will transfer to numerous new entrants associated with a sharing economy innovation

Research Question

What are the ways in which stigma transfer can be avoided when there are new entrants to a stigmatized occupation?



Pictured: PhD Candidate Kam Phung at Toronto City Hall conducting interviews and observations



Methods

- **Qualitative case study:** Uber's entrance into Toronto, Canada and its concurrent impact on the taxi driving occupation and the drivers over a 4-year period (2013-2016)
- **Data and analysis:** 976 media articles; 55 interviews with Uber and taxi drivers; field observations
 - Overview and chronology of key developments from the year of Uber's entry to legalization
 - Systematic coding of “uber” and “taxi” instances in media articles (5 local/national outlets)
 - Open coding of media articles and interviews with Uber drivers and taxi drivers

Results

Figure 1. Occupational stigma over time

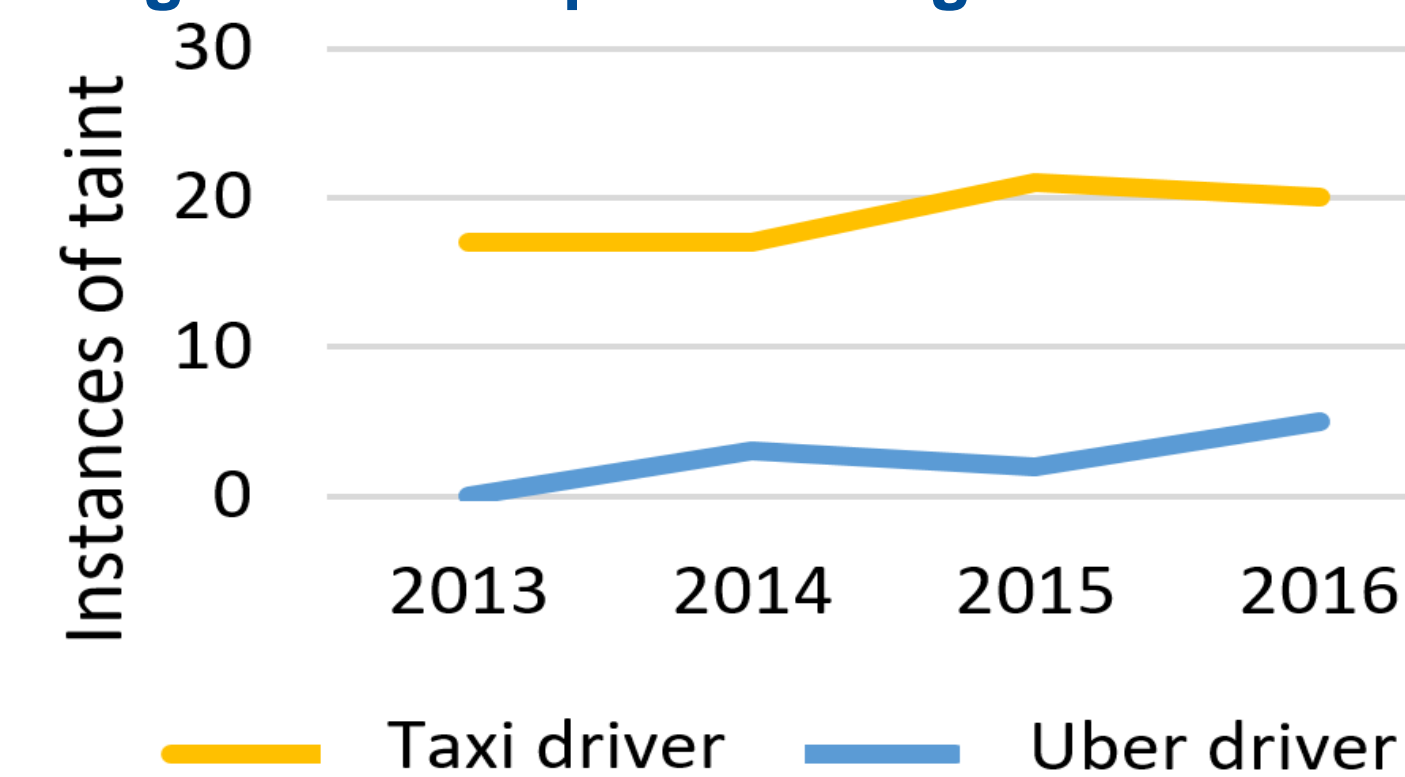
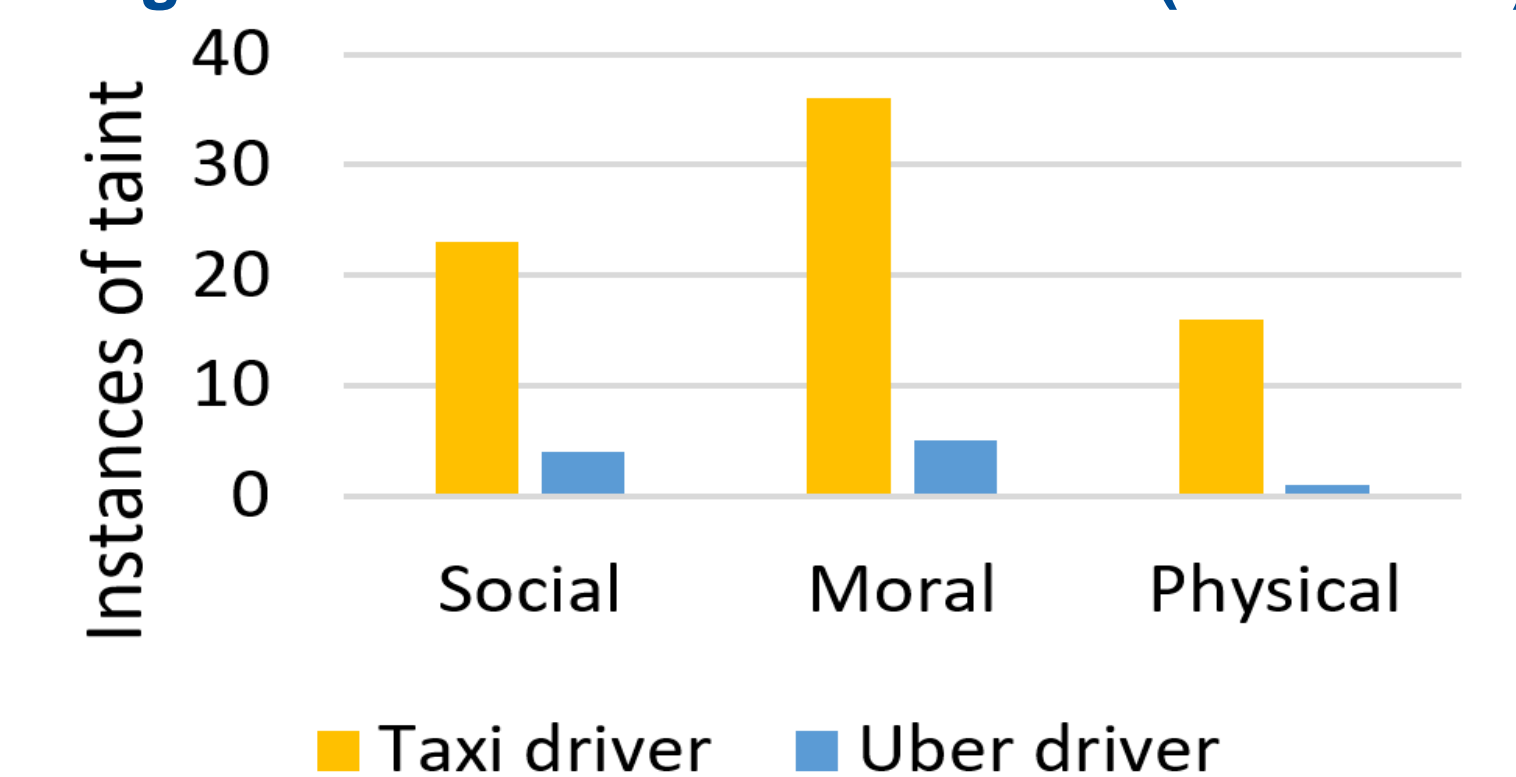


Figure 2. Total instances of taint (2013-2016)



- **Antecedents to avoiding stigma transfer:** Mass attention of entrance and ambiguity of new entrants
- **Stigma deflection for new entrants:** Uber driving and Uber drivers avoided stigma transfer by creating categorical distinctiveness and showcasing identity discrepancies that enable them to deflect the taint associated with taxi driving and taxi drivers
- **Stigma entrenchment for incumbents:** A by-product of stigma deflection was the further entrenching of stigma for taxi driving and taxi drivers via comparisons made by Uber executives, lawmakers, and the media anchored on the social, moral, and physical taint associated with taxi driving and taxi drivers
- **Occupational stratification:** Outcome was a material (regulations) and symbolic (evaluations) separation with key discrepancies in favourability between Uber driving/drivers and taxi driving/drivers

Discussion

- We identify the conditions and ways in which stigma transfer can be avoided but also showed that this can be at the cost of others actors
- We highlight how audiences can indirectly deflect and entrench stigma regardless of the perceptions or actions of those that are stigmatized
- We point to the need to examine both the positive and negative implications of the sharing economy

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Service Employees' Reactions to Customer Mistreatment: The Resource and Conflict Management Perspectives

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Introduction

- Turnover rate is over 50% in low-wage service industry (Ellingson, Tews, & Dachner, 2016), and turnover intentions strongly predict actual turnover (Tett & Meyer, 1993).
- Customer mistreatment has been identified as one primary reason of service employees' turnover intentions (Karatepe, Yorganci, & Haktanir, 2009).
- Previous research has taken resource, emotional, or justice perspectives to understand the effects of customer mistreatment and the potential boundary conditions (Wang et al., 2013).
- Our study integrated **resource** and **conflict management perspectives**, and considered customer mistreatment as **interpersonal conflict** between employees and customers. We investigated the daily relationship between customer mistreatment and employees' turnover intentions via ego-depletion, as well as their **compromising** conflict management strategy as a moderator in this mediation linkage.

Hypotheses

- Hypothesis 1: Employees' experienced daily customer mistreatment is **positively** related to their daily ego-depletion.
- Hypothesis 2: Employees' daily ego-depletion is **positively** related to their daily turnover intentions.
- Hypothesis 3: Employees' daily ego-depletion **mediates** the relationship between daily customer mistreatment and daily turnover intentions.
- Hypothesis 4: Compromising conflict management strategy of employees **moderates** the relationship between daily customer mistreatment and employees' daily ego-depletion such that this relationship is **weaker** when employees take **more** (versus less) compromising strategy.



Image Source: pexels.com

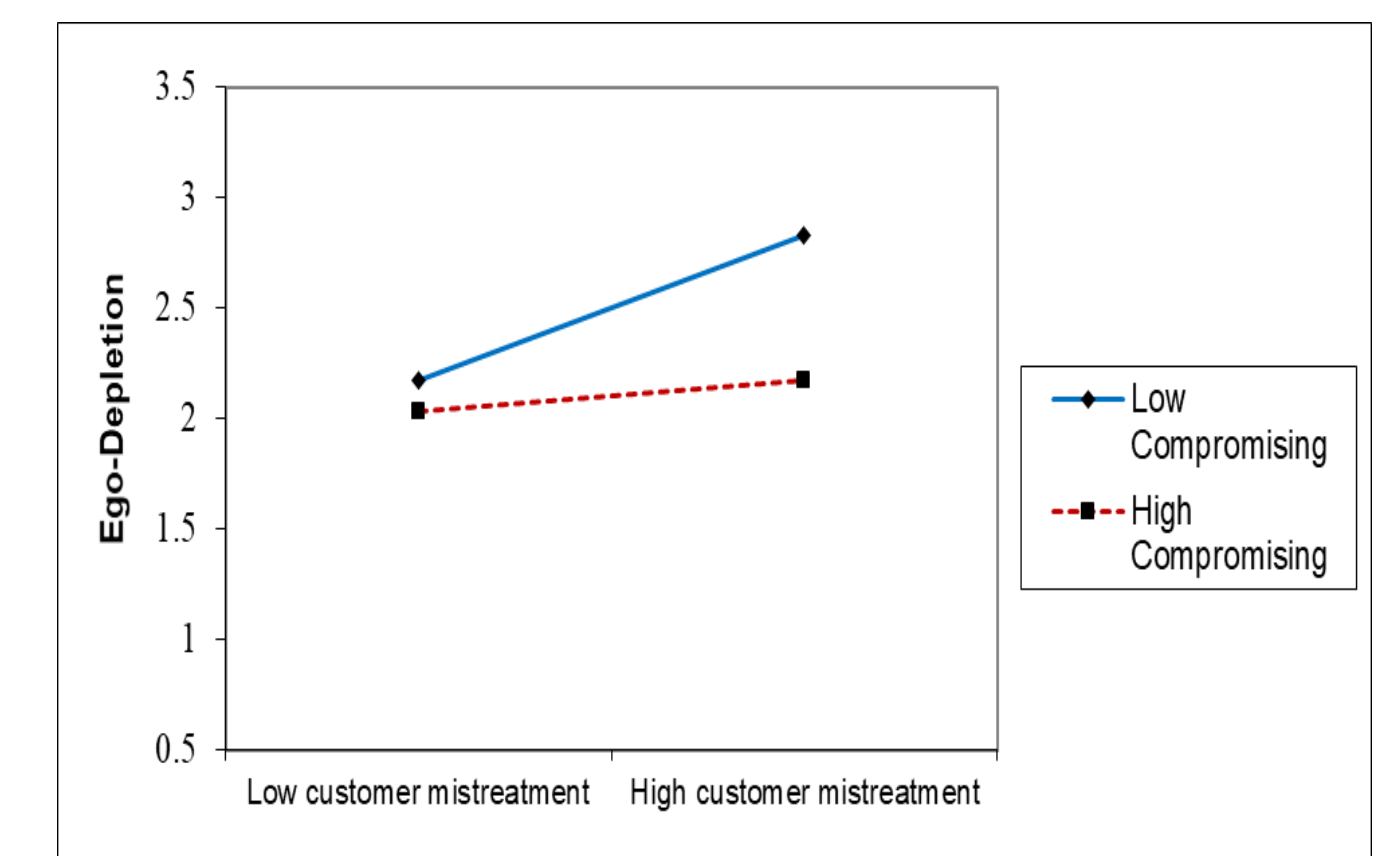
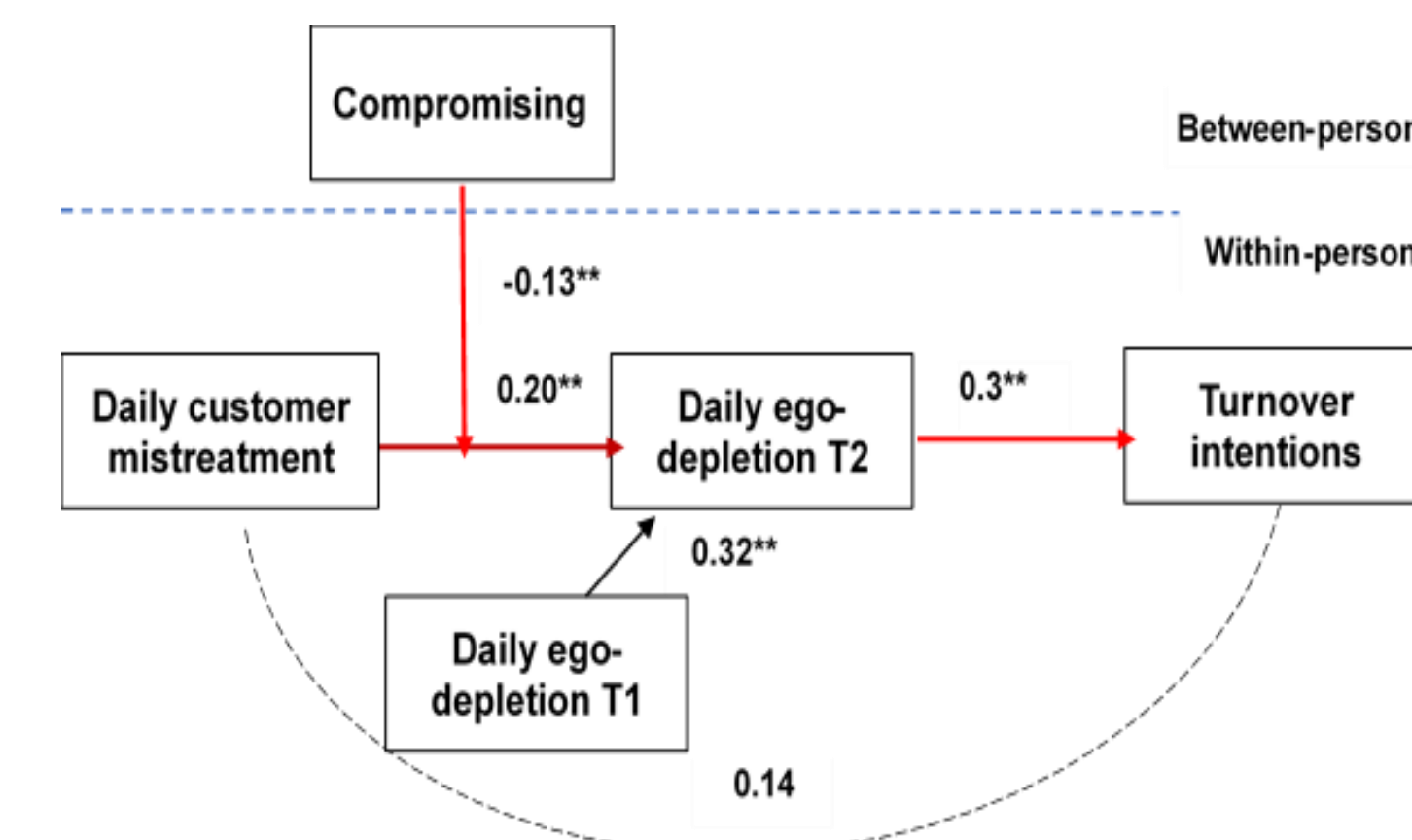


Methodology

- 84 representatives working at an outbound call center of a large South Korean insurance company were recruited to participate in our 5-day diary study.
- Established scales were used to measure all the variables on a 5-point Likert type scale (1= strongly disagree, 5 = strongly agree).
- Multilevel moderated-mediation regression was used to test our hypotheses

Results

- All the hypotheses were **supported**.
- When employees took more compromising strategy, the effect of customer mistreatment on ego-depletion became non-significant.



Discussion

1. Theoretical Contributions

- Extended prior customer mistreatment literature by documenting ego-depletion, as a new mediator, to account for the relationship between customer mistreatment and employees' turnover intentions.
- Enriched the current research by integrating resource and conflict perspectives to identify a new boundary condition around the effect of customer mistreatment.

2. Practical Contributions

- Company could emphasize the “zero tolerance to workplace incivility and mistreatment” to build a more respectful working environment
- Company could offer conflict management training program to employees

'We Didn't Intend to Offend': Claiming Ignorance in Response to Offensive Advertising and Consumer Backlash

Mohammad S. Kermani (Marketing)

Introduction

- Marketers deliberately use shock advertising techniques to break through the clutter and be noticed (Dahl et al., 2003).
- This technique often leads to consumer offense and viral backlash (Holiday, 2013). Firms typically respond by claiming that they did not intend to offend (Tait, 2016).
- Prior theoretical models suggest that unintentional offenses are viewed less negatively than intentional ones (e.g., Darley and Schultz, 1990).
- This proposed research is interested in exploring whether denying intent can backfire when consumers believe that the firm should have foreseen the potential negative consequences of their advertisement.

Hypothesis

H1: Denial of intent and justification will interact such that consumers will judge a brand more positively when the brand denies intent (vs. no response) and there is a high justification for the offense. Whereas consumers will judge a brand more negatively when there is a denial of intent and a low justification for the offense.

Pilot Study

- The aim of this study was to test the causal relation between denying intent (vs. claiming intent and not responding) and brand attitude when there was a strong justification (i.e., raising awareness about childhood obesity).
- A significant effect was found for response type on brand attitude, $F(2,162)=4.97$, $p=0.008$, $\eta^2=0.06$. The unintentional condition ($M=3.12$, $SD=1.54$) led to a more positive brand attitude compared to the control condition ($M=2.57$, $SD=1.57$, $p<0.05$) and the intent condition ($M=2.23$, $SD=1.20$, $p<0.01$).

Next Steps

- Testing interaction with a 3 (Response: Unintentional vs. Intentional vs. Control) x 2 (Justification: Strong vs. Low) design.
- Testing other potential moderators such as degree of offensiveness, resources of company (i.e., power), and whether consumers are the target of the offense.
- Testing potential mechanisms such as insensitivity, anger or brand sincerity

Importance/Implications of Research

- There is a common belief amongst some marketers that outrage and controversy can be beneficial in the long run (Holiday, 2013) and that potential negative reactions can be offset by denying intent to offend.
- This study can provide practical implications in terms of the potential risks of such strategies.
- This study can also provide insight into the belief that firms should have an obligation to foresee and prevent these offenses from occurring.
- Theoretically, this study can contribute to the marketing literature by exploring whether denying intent can lead to a negative outcome in contrast to what prior attribution theories have suggested.

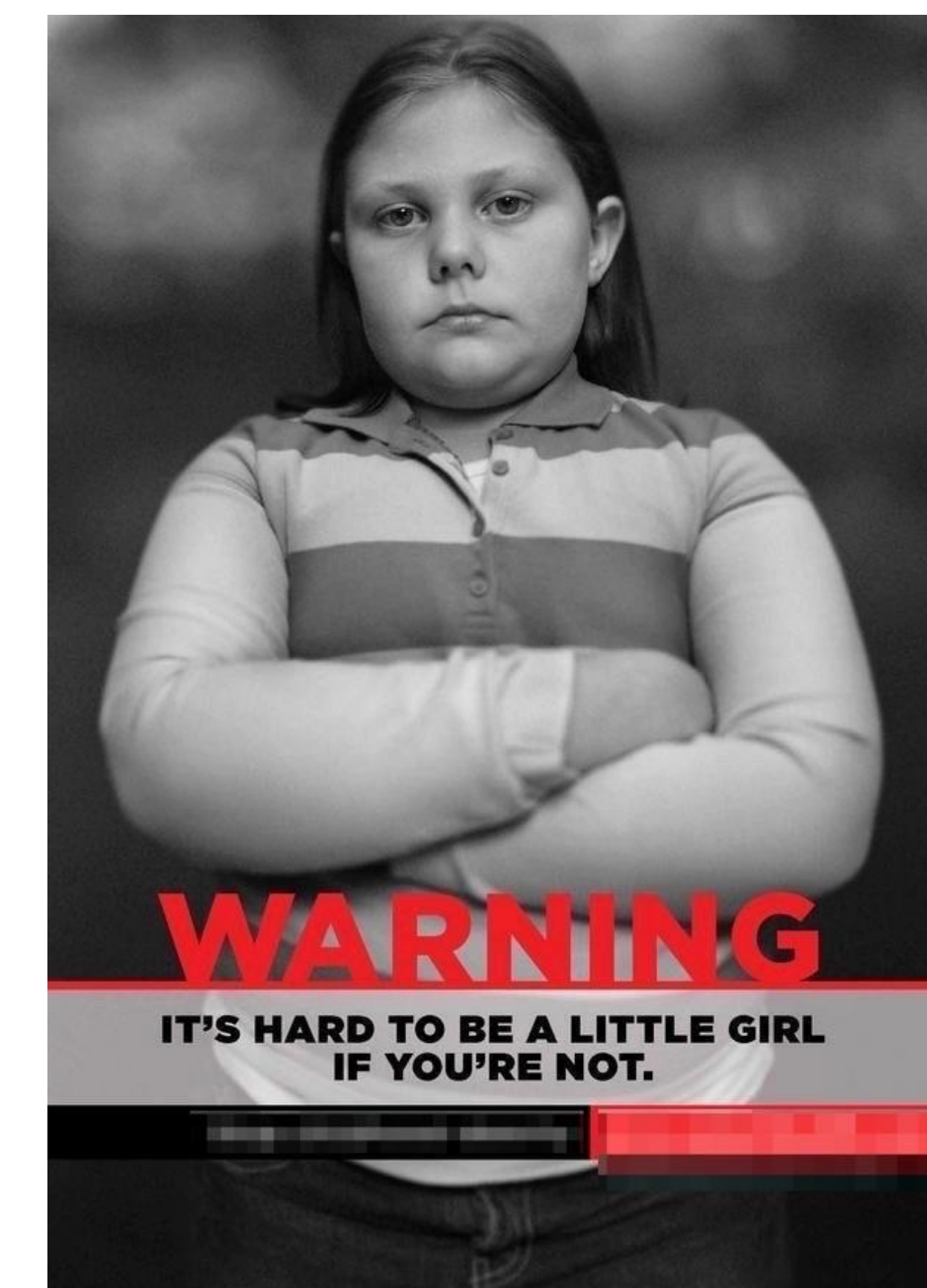



Image source: Washington Post

 **Natural Health** @NaturHealth 28 Jan 2019
We did not know this advertisement would be offensive. This was unintentional. Our aim was to raise awareness about the healthy products we sell.

 **Natural Health** @NaturHealth 28 Jan 2019
We did not know this advertisement would be offensive. This was unintentional. Our aim was to raise awareness surrounding childhood obesity.

 **Natural Health** @NaturHealth 28 Jan 2019
While we knew this advertisement would be offensive to some, we went with this to raise awareness about the healthy product we sell.

 **Natural Health** @NaturHealth 28 Jan 2019
While we knew this advertisement would be offensive to some, we went with this to raise awareness about childhood obesity.

Entrepreneurship through Fiction in Media, Pennsylvania

Nyla Obaid (Organization Studies)

Introduction

- Entrepreneurship, or the attempts to create something new, has been called the “business of imagination,” but how are entrepreneurs able to imagine something new?
- The telling and re-telling of fictional stories have been linked to the ability for entrepreneurs to imagine (Gartner, 2007; Rendova, Barry & Ketchen, 2009) but often for a single entrepreneurial instance (e.g. one company or one founder imagined something new)
- I am interested in a more macro reading of the topic... how do fictional stories of entrepreneurship impact one another? How does this lead to a field of entrepreneurs to mobilize?
- By the way, fiction = stories that everybody knows are not really true

Research Objective

- To understand how entrepreneurial efforts influence one another
- To understand the role of fictional stories in mobilizing entrepreneurship

Methodology

- 4 month ethnography, where I took observational notes and participated in Media Business Council
- 32 interviews with entrepreneurs and residents of Media, Pennsylvania
- Minutes & historical data from Media Borough, Media Arts Council, Media Farmer’s Market meetings
- Qualitative analysis of the process and timeline of events

Results

- Different types of stories are told at different times to spark entrepreneurial efforts, which further inspire other entrepreneurial efforts

Phase	Fictional Story	Mechanisms for Storytelling	Actors	Results
1999-2004	Media’s history is rich with tourism and tolerant locals	Quaker church services Coffee table book Library talks	Historical fans and hobbyists and “old timer” residents.. NOT entrepreneurs	Residents support the creation of Media Business Council
2005-2008	Media is so unique it should be America’s First Fair Trade Town	Pamphlets, newspapers Town sign	Centralized Media Business Council leads efforts town-wide with support from business owners	Fails to become Fair Trade
2009-2012	Media is the place for all kinds of community organizations to exist	Creation of new organizations (e.g. Arts Council) and events (e.g. Dining Under the Stars)	Distributed. Everybody takes up whatever their passion project is	Lots of smaller organizations pop up with various levels of success
2013-present?	Everybody in Media has a role in its present and future	Celebrations	Beyond entrepreneurs. Residents re-tell stories	Culture of entrepreneurship

Discussion

- Entrepreneurship “spreads” through the telling and re-telling of stories, so it’s important to create opportunities for this to happen (e.g. events, conferences, celebrations)
- At a macro-level, failed entrepreneurship can serve its own purpose in becoming a fictional story that mobilizes new groups of entrepreneurs



Photo used with the permission of the Media Business Council (2015)

Evaluating the Impact of Enhanced Process Quality on Various Hospital Settings

Ortac Onder, M.Sc. (Operations Management and Information Systems)

Introduction

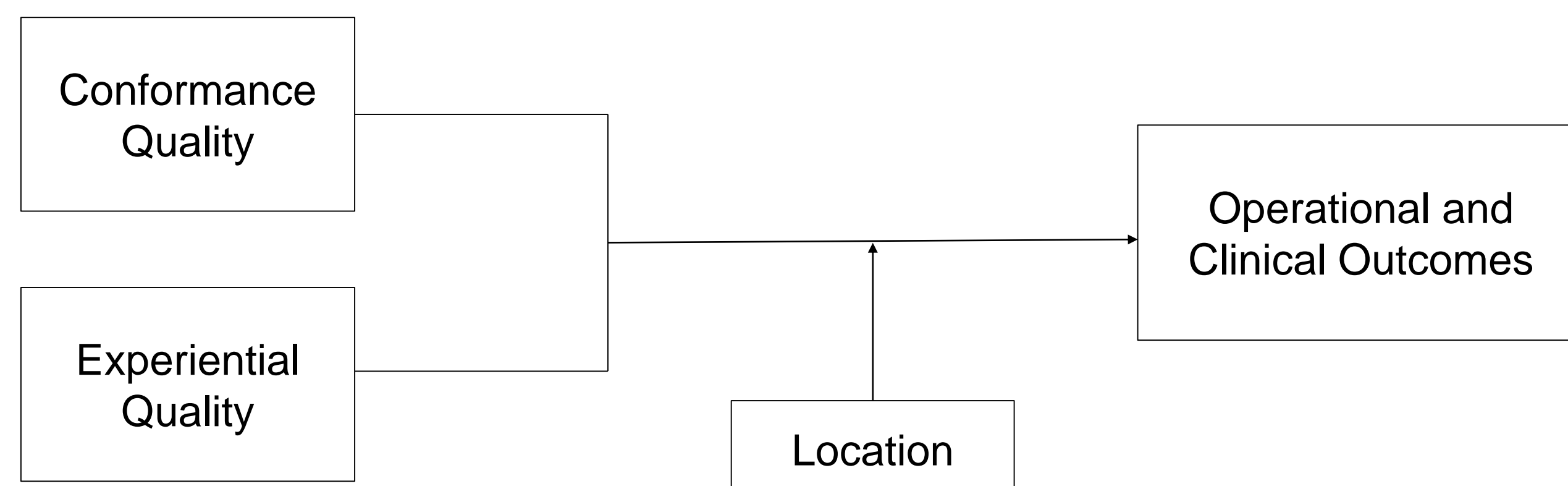
Process quality is of utmost importance to hospitals. Two dimensions of process quality, conformance and experiential quality, have been studied in the literature. However, hospital characteristics' impact on hospitals' ability to improve their process quality have been overlooked. Both patients' approach to the healthcare providers and hospitals' resources vary depending on the hospital location affecting the impact of process quality on hospital outcomes, i.e., cost and readmission rate. Hence, the relationship between process quality and hospital outcomes is different for rural and urban hospitals.



Research Questions

- How does enhanced process quality influence hospital operational and clinical outcomes?
- How does process quality's impact on hospital outcomes vary by location?

Theoretical Model



Methodology

- Time-series analysis is conducted using secondary data from 3,458 acute care hospitals in the U.S. over a 5-year period.
- Hospitals are clustered based on their location.
- In order to overcome the concerns regarding endogeneity for cost, a system generalized method of moments (GMM) model is estimated which is designed specifically to account for dynamic endogeneity in panel data.
 - $\Delta \text{Cost}_{it} = \alpha \Delta \text{Cost}_{it-1} + \beta_1 \Delta X_{it} + \beta_2 \Delta W_{it} + \Delta v_{it}$ (First differences equation)
 - $\text{Cost}_{it} = \alpha \text{Cost}_{it-1} + \beta_1 X_{it} + \beta_2 W_{it} + u_i + v_{it}$ (Levels equation)
- Fixed-effects estimator is used for modelling readmission rate since endogeneity is not a concern.
 - $\text{Readmission Rate}_{it} = \beta X_{it} + u_i + v_{it}$

Results

- While conformance quality significantly affects both cost and readmission rate in urban hospitals, it is insignificant for rural hospitals.
- Experiential quality's impact on cost and readmission rate differs in terms of both significance and direction of the relationship for urban and rural hospitals.
- Current cost levels of hospitals are significantly affected by previous years' cost levels in urban hospitals, whereas the hospitals in rural areas current cost levels does not depend on previous years' levels.

Discussions and Future Work

- The location of a hospital affects both direction and significance of process quality dimensions' impact on operational and clinical outcomes.
- Rural hospitals react differently to the policy changes that force them to focus on their process quality than urban hospitals.
- These differences need to be addressed by policymakers, and relevant policies should be adjusted accordingly.
- In the future, a Data Envelopment Analysis (DEA) for a comparison of frontier hospitals in urban and rural areas will be conducted.

The Financialization of Human Capital: the Case of the Baseball Industry

Pier-Luc Nappert, PhD Student (Accounting)

Introduction

- Two lawsuits involving minor league baseball players against Major League Baseball in recent years have highlighted large income inequalities in baseball
- Media and teams are increasingly discussing players in financial terms
- Startups are emerging to provide financial options to professional athletes, thereby transforming them into “stocks”

Research Questions

- How is human capital constructed, by organizations and by workers, and what are the effects?
- Could the construction of employees as “assets” be achieved independently of the accounting representation?

Proposed Methodology

- Qualitative study based on:
 - Interviews with baseball players, baseball executives (scouts, baseball operations analysts, player development coaches), team accountants, agents, and industry suppliers
 - Secondary data sources (books, newspapers articles, specialized websites)

Importance/Implications of Research

- The baseball industry provides a good setting to investigate the implications of “winner-take-all” markets and answers theoretical questions about human capital accounting
- Explores causes and consequences of the financialization of human capital, which may have implications for other industries
- Provides a better understanding of professional sport teams’ accounting practices

Early Findings

- Financialized valuation of performance constructs baseball players as “assets” *independently* of the accounting representation, creating a “player asset value” framework
- Financialization does not only turn employees into “entrepreneurs of the self” but also entrenches them as organizational “assets”
- As “entrepreneurs of the self”, baseball players financialized themselves to maximize their human capital



An Institutional Governance View of Platform Strategy

Pouyan Tabasinejad (Strategy), Anoop Madhok

Introduction

- Scholars have largely looked at platform governance as consisting of either engineering design or price mechanisms (subsidies)
- However, these views do not address how perceptions of legitimacy will also affect whether and how actors will engage with the platform
- To address this gap, we conceive of platforms as polities and platform owners as governments who attempt to facilitate legitimacy in their platform
- Even if two platforms have identical technological characteristics and subsidies, actors will choose to participate on the one which has *more legitimacy*
- Two types of legitimacy
 - Pragmatic legitimacy: “will actor(s) act in a way that safeguards my *interests*?”
 - Normative legitimacy: “will actors(s) act in a way which is ‘the right thing’ to do?”

Research Question

- **What is the role of legitimacy on digital platforms, and how do platform firms facilitate legitimacy on their platforms?**



Methodology

- **Case studies** comparing pairs of popular platforms:
 - **Amazon/eBay** – market platform where **short-term pragmatic legitimacy** is more important
 - **Facebook/Myspace** – social platform where **short-term normative legitimacy** is more important
 - **iOS/Android** – market platform where **long-term pragmatic legitimacy** is more important

Preliminary Findings

- Two kinds of legitimacy – normative (important for social platforms) and pragmatic legitimacy (important for market platforms)
- Platform firms who have more effective institutions that facilitate greater legitimacy may be better at attracting actors (Amazon v eBay, Facebook v Myspace):
- Amazon had better reviews, better insurance programs for unfulfilled transactions, and product standards than eBay, something which was recognized by eBay analysts, and which developed more pragmatic legitimacy – people felt more confident buying/selling on Amazon than eBay
- Facebook was better than Myspace at facilitating normative legitimacy – it acted quickly to deplatform sexual predators, but Myspace did not, (at one point, had >100K registered sex offenders on platform)
- Increased long-term legitimacy also seems to garner more participation (iOS v Android):
- Android has more users, but iOS is more profitable; this may be due to the fact that Apple was better at controlling malware and viruses as well as protecting privacy than Google
- Platforms may be competing on the basis of legitimacy-building institutions (Amazon v eBay):
- Originally, eBay’s review system made it more pragmatically legitimate than its competitors, but Amazon developed a review system which was recognized as facilitating more confidence in exchange

Next Steps:

- Empirical research to verify case study findings
- Do subsidies increase or decrease legitimacy?
- Add a new dimension of platform governance to platform theory.
- Possible beneficiaries of research: managers, entrepreneurs, platform firms

Are Industries Becoming More Concentrated? The Canadian Perspective

Ray Bawania (Finance) and Yelena Larkin (Finance)

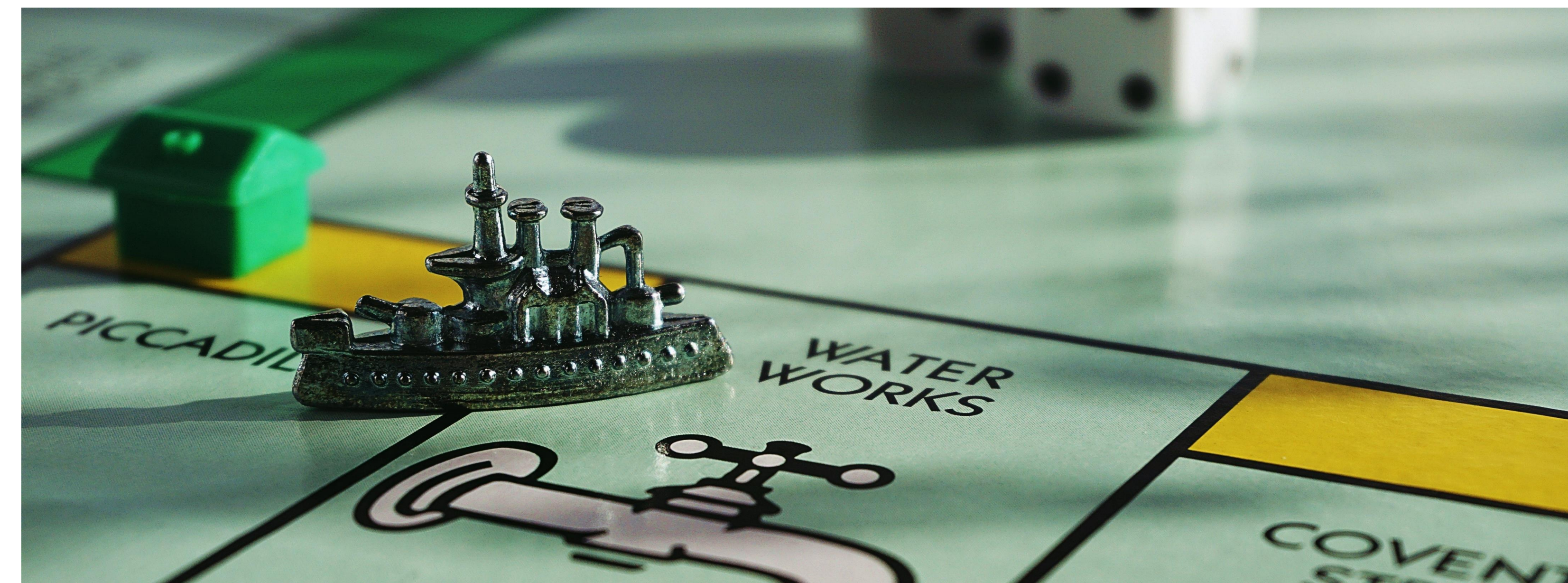
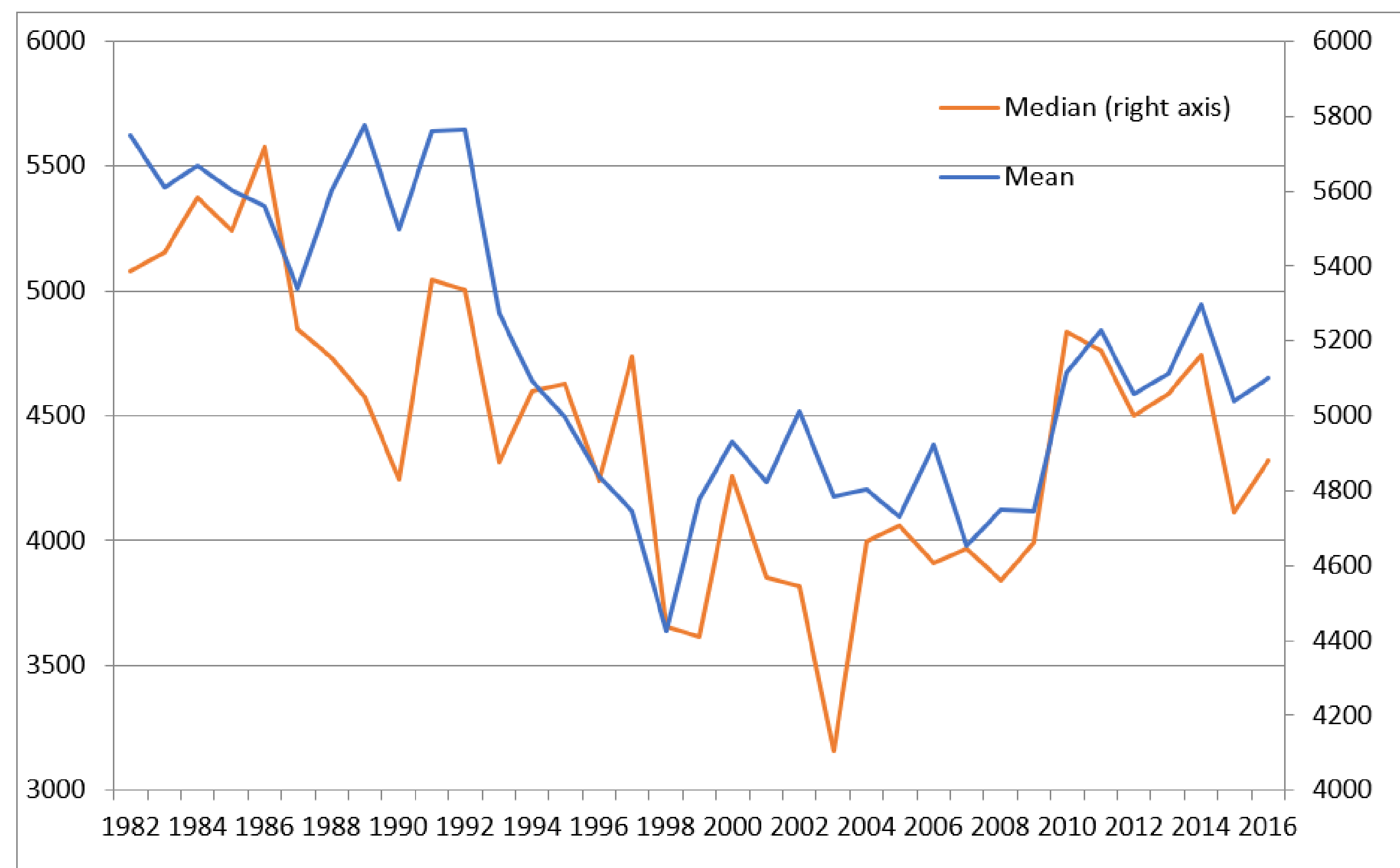
Introduction & Research Question

- Prior research has shown that US industries have experienced an increase in industry concentration levels – we look to see if Canada has a similar pattern of consolidation and try to understand the drivers of this phenomenon.
 - The US & Canada share geographic proximity, similar industries and many economic factors which makes Canada a good subsequent test. We use any differences in regulatory and market structure between the two countries to question the causes of this phenomenon of higher concentration?

Methodology

- We use Herfindahl-Hirschman Index (HHI) as a measure of concentration and look at whether this value has increased over time.
- We supplement this by looking at changes in the number of public firms, the rate of firms going public and the level of profitability of firms as it relates to the industry HHI along with several alternative explanations.

HHI Index Over Time



Results & Discussion

- Our results show industry consolidation is a widespread phenomenon.
 - Roughly 1/3 of Canadian industries have experienced a >50% increase in the HHI level
- This shift is also visible in the public markets: the number of firms are decreasing, the remaining firms are growing larger, and the number of IPOs per year has dropped.
 - While the median firm size on the TSX has remained fairly flat, the top quartile size of firms have grown larger along with the mean firm size.
- We also look at M&A activity, private firm revenues, regulatory dynamics and we observe:
 - The “regulatory overreach hypothesis” suggests that firms are no longer going public due to increased regulatory burden on firms. We find that this does not align with the timings of regulatory reforms.
 - M&A volume has increased in the last two decades, especially horizontal mergers, supporting the case of lower thresholds during regulatory approvals.
 - We find that current antitrust legislation pushes enforcement after industries have already consolidated – this leads to increases in fines from firms abusing their power but as it is currently written, mergers below legal thresholds still get approved in most cases allowing the consolidation trend to continue.

Persuasion Knowledge and Firm Type

Sabrina Spence (Marketing)

Introduction

Persuasion knowledge (PK) consists of a set of theories or “folk knowledge” that consumers hold regarding persuasion. PK enables consumers to recognize a persuasion attempt and execute effective and appropriate coping strategies (Friestad & Wright 1994). Some persuasion tactics, for example flattery, activate consumers PK resulting in negative evaluations (Campbell & Kirmani 2000). While activating PK does not inevitably lead to negative evaluations, prior research has focused on negative consequences experienced by for-profit firms after activating consumers' PK (e.g., Isaac & Grayson, 2017). We explore whether charities and CSR initiatives, which may be perceived as acting altruistically (vs. for-profits), can employ tactics such as flattery without suffering the same negative evaluations as for-profit firms. We also explore the process responsible for differences in consumers responses to PK activation.

Research Questions

- Do consumers respond differently to persuasion attempts by charities and CSR initiatives compared to for-profit firms?
- Does the type of cause a charity or CSR initiative supports influence consumers responses to persuasion attempts?

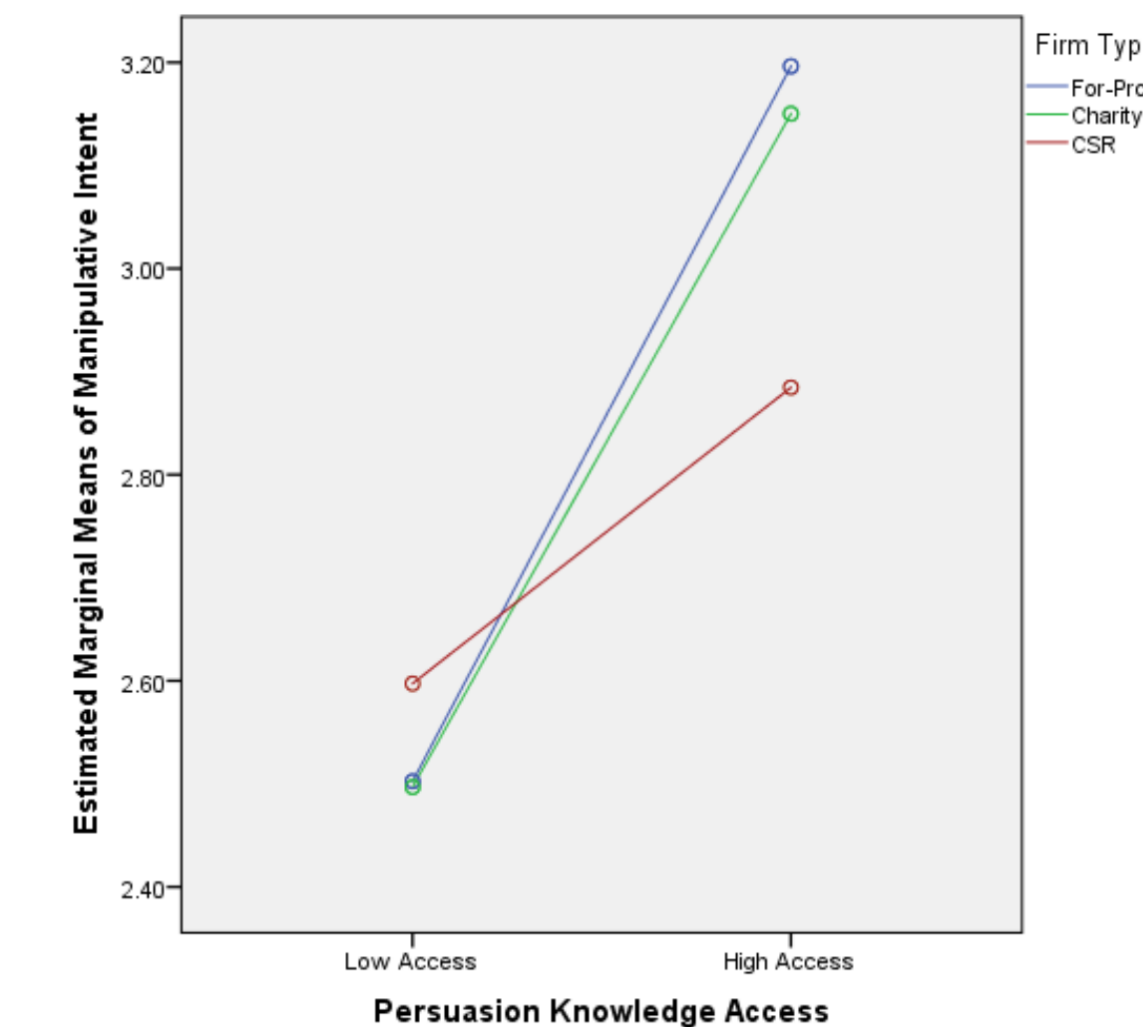
Methodology

- **Study One:** 2 (PK Access: High vs. Low) x 3 (Firm Type: Charity vs. CSR vs. For-Profit) between subjects experiment. 365 participants (Mage = 42.7 years) from the online panel TurkPrime.
- **Study Two:** 2 (Cause Type: High vs. Low Responsibility) x 2 (Firm Type: Charity vs. CSR) x 2 (PK Access: High vs. Low) between subjects experiment. 357 undergrad students (Mage = 18.9 years).
- **Procedure:** In both studies participants read a description of “Innovative Threads” followed by the shopping scenario, they then completed the dependent variables and two thought listings.
- **Firm Type Manipulation:** Participants read about “Innovative Threads”, a brand described as either a for-profit clothing brand, a for-profit clothing brand with a CSR initiative or a charity providing winter clothing to low income children [families in study 2].
- **PK Manipulation** (adapted from Campbell & Kirmani 2000): Participants were asked to imagine shopping for a scarf at an Innovative Threads kiosk. While shopping, a salesperson either complimented participants as they were trying on an expensive scarf (high PK access) or no compliment occurred while shopping (low PK access).
- **Cause Type Manipulation** (adapted from Lee, Winterich & Ross, 2014): In study 2 the charity/CSR cause was described as supporting families in need of warm clothing due to either: a poor economy (low responsibility) or because they spend their money on illegal substances (high responsibility).

Results

Study 1

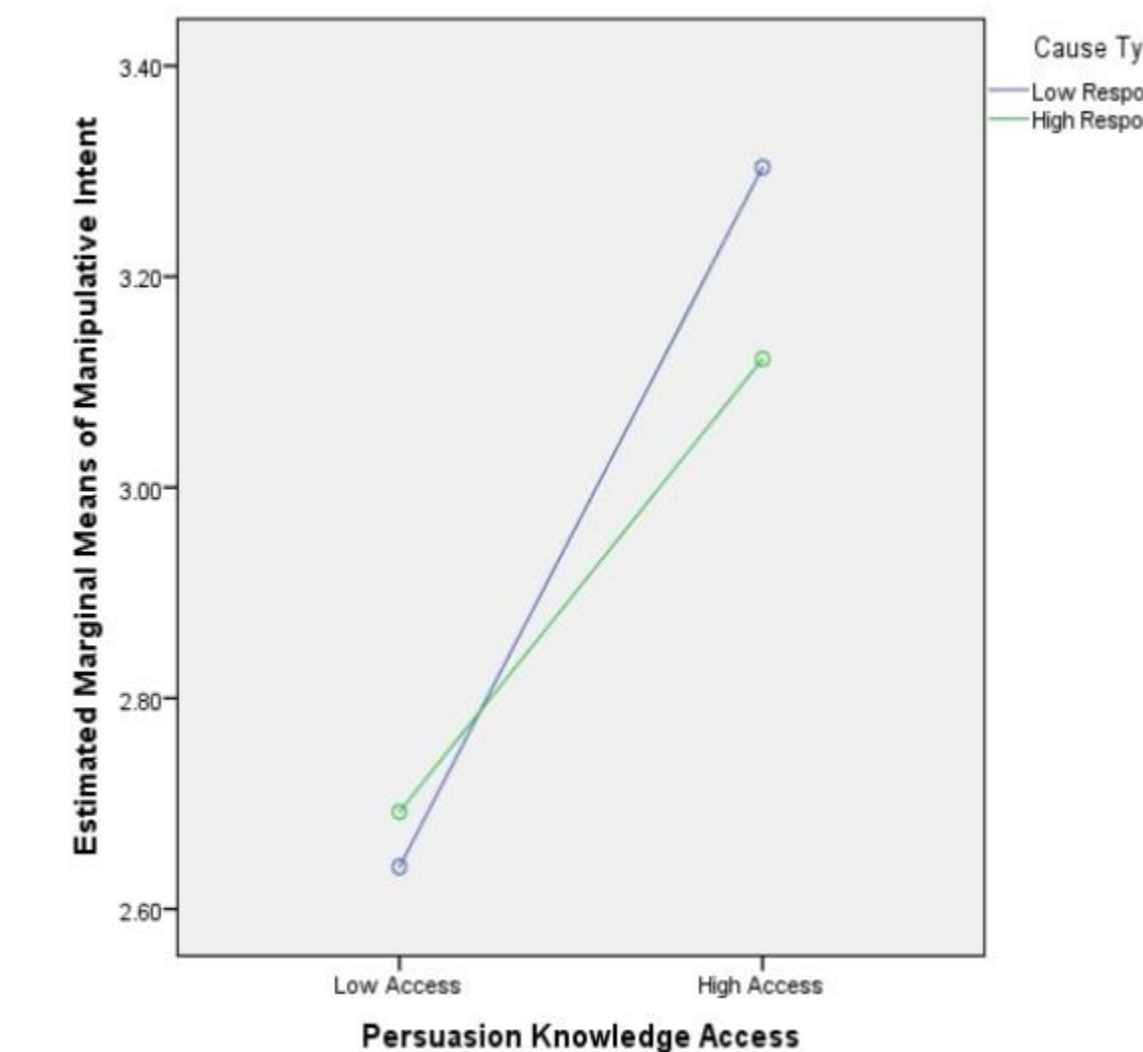
Figure 1: Main effect of PK Access on Manipulative Intent for Study 1 ($p < .001$).



- Receiving a compliment resulted in perceptions of greater manipulative intent vs. no compliment. (fig. 1).
- Brand trust didn't differ significantly between the firm types when PK access was low ($ps > .20$), but respondents trusted the for-profit less (vs. charity and CSR firms) when a tactic was used ($ps < .01$). (fig. 2)
- A moderated mediation analysis (Hayes 2017, model 8) indicated the compliment from the for-profit firm (vs. the charity and CSR versions) was perceived as more inappropriate which in turn lowered brand trust.

Study 2

Figure 3: Main effect of PK Access on Manipulative Intent for Study 2 ($p < .001$).



- Receiving a compliment resulted in perceptions of greater manipulative intent vs. no compliment. (fig 3)
- The high responsibility cause resulted in lower brand trust vs. the low responsibility cause ($p=0.001$) (fig 4).
- Receiving the compliment resulted in marginally lower brand trust vs. no compliment ($p=0.091$) (fig 4).
- The cause a charity or CSR firm supports did not appear to influence responses to PK access (fig. 4).

Discussion

- This work aims to contribute to our understanding of the brand contexts that influence consumers' responses to PK activation. We rule out the possibility that a brand's status as a charity or CSR initiative reduces the accessibility of a compliment as a persuasion tactic. The results of study 1 suggested consumers understood the tactic had been used, but perceived it as less inappropriate when executed by charities and CSRs (vs. for-profit firms) resulting in less negative evaluations.
- In study 2, contrary to expectations, the deservingness of the cause supported by the charity/CSR did not influence consumers responses to PK activation.

Figure 2: Interaction of PK Access x Firm Type on Brand Trust ($p < .05$) for Study 1.

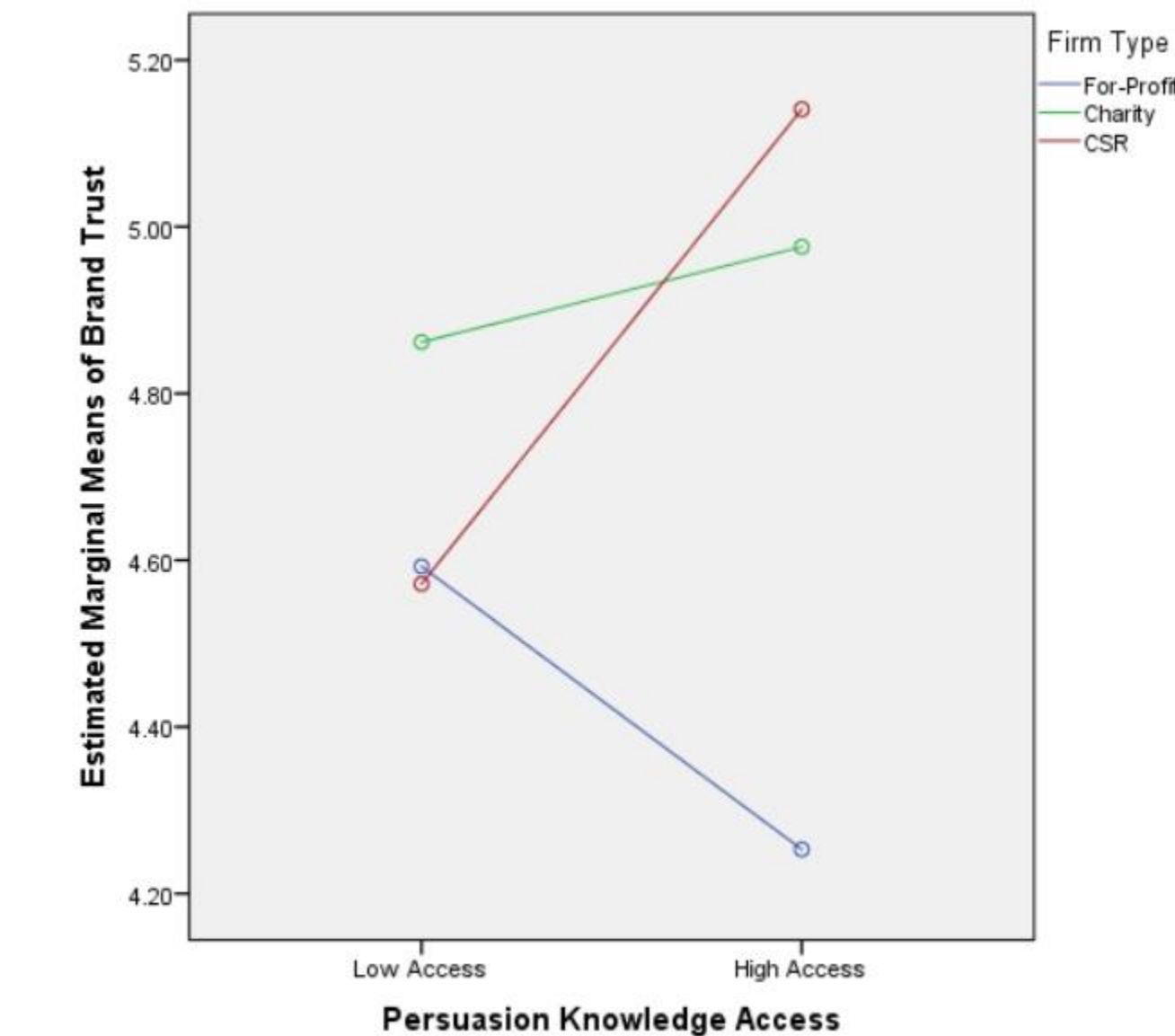
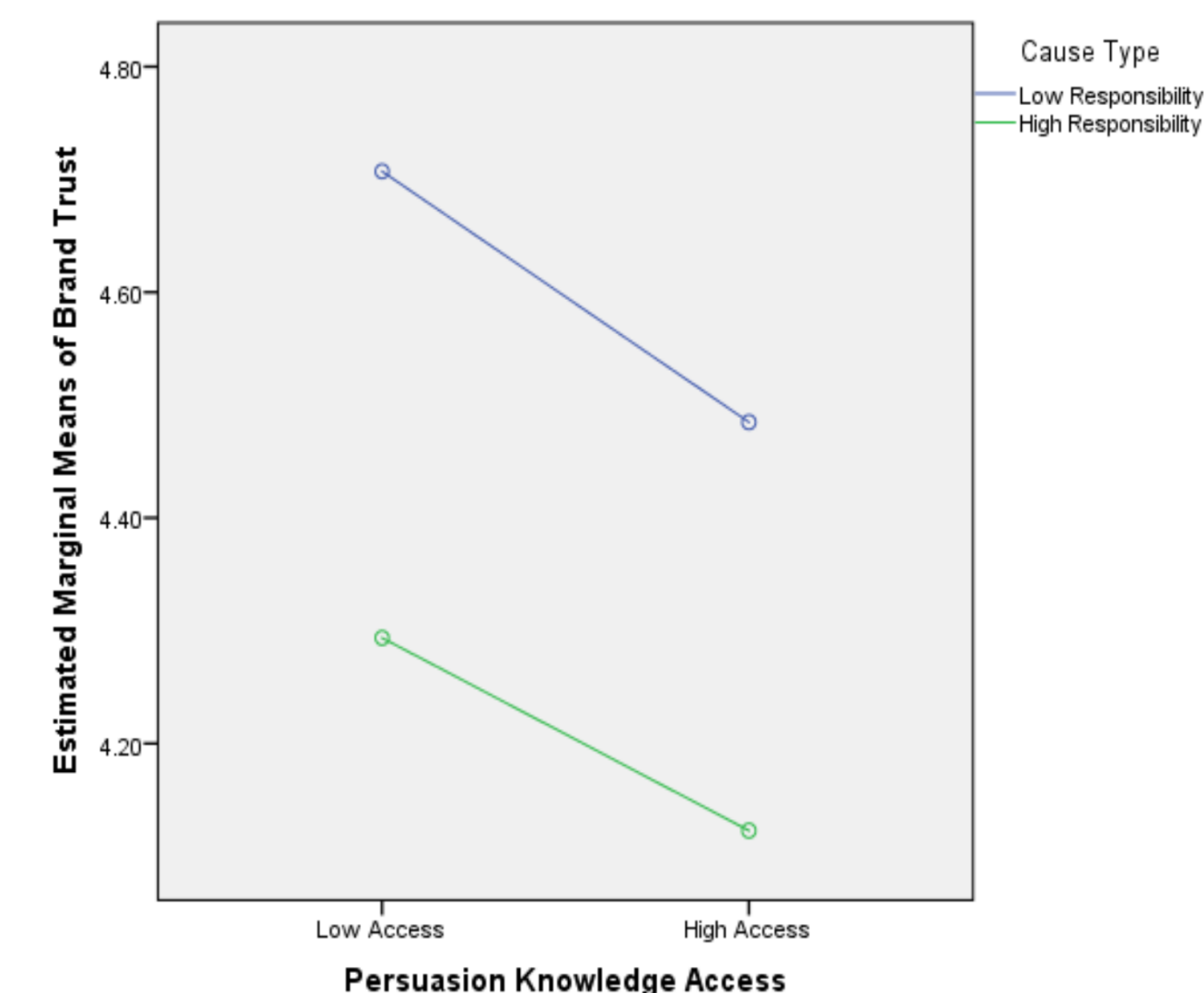


Figure 4: Interaction of PK Access x Cause Type on Brand Trust for Study 2 ($p=0.825$).



What's Next? The Role of Contemporary Technology in Shaping Consumer Taste Structures

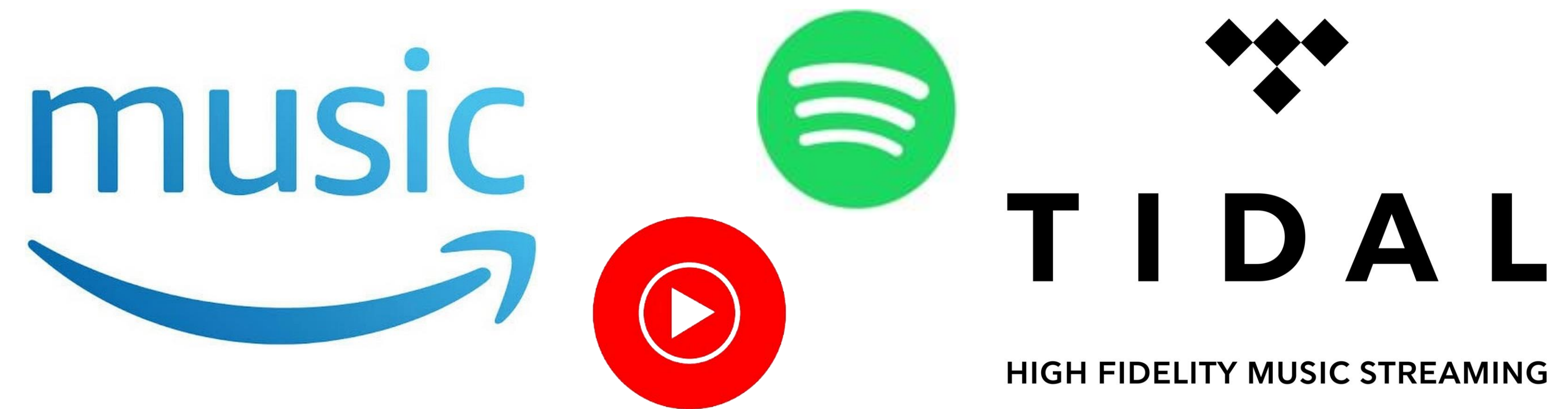
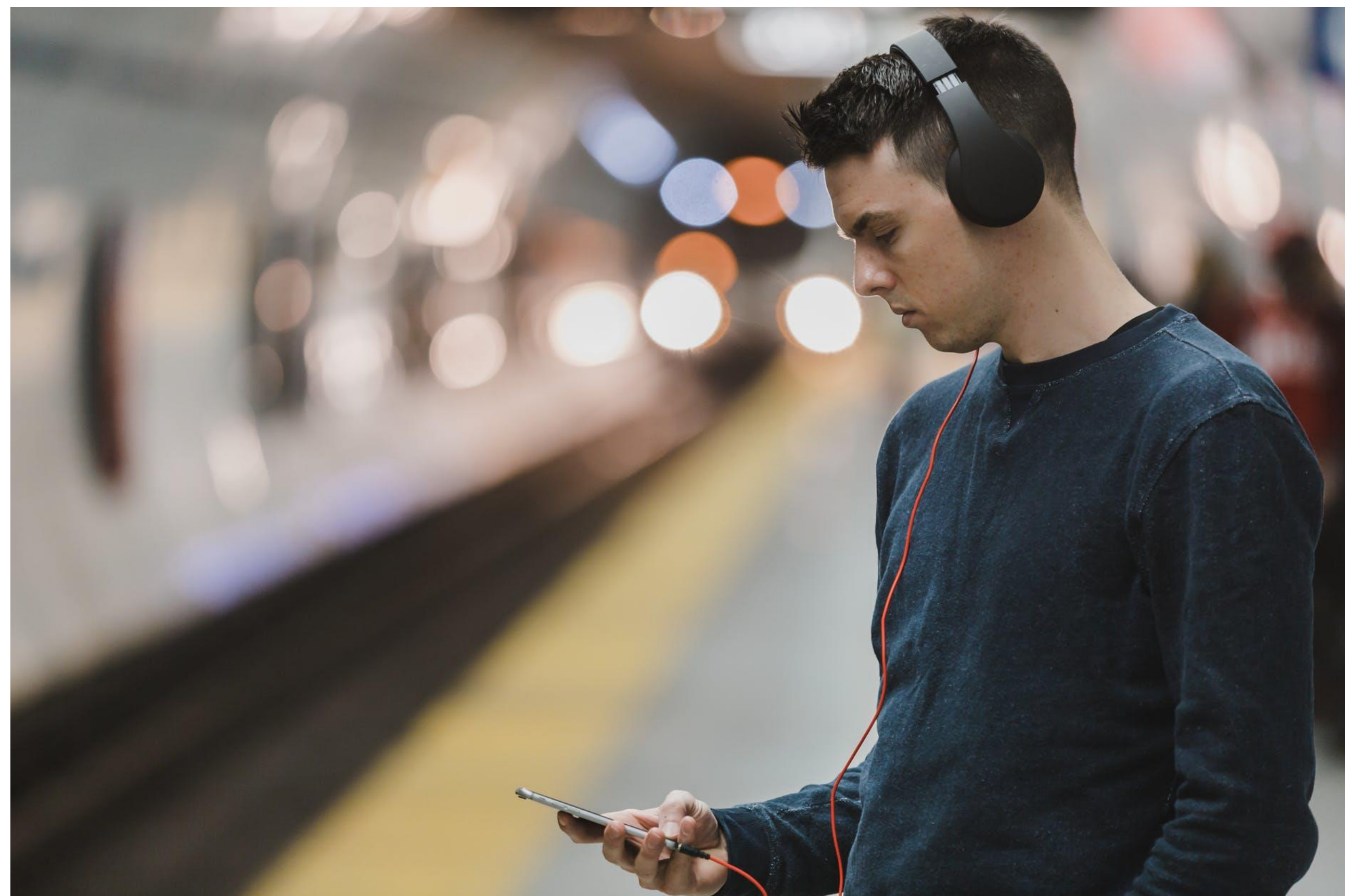
Shahzeb Jafri (Marketing)

Introduction

- Consumers' aesthetic knowledge exists as part of a 'taste regime', 'a discursive system that links aesthetics to practice' (Arsel and Bean, 2013).
- The rapid inflow of technology into consumer lives has led to the creation of information societies characterized by a flood of big data (Just and Latzer, 2017; Wilson, 2017), and represents a nucleus of change and technology's capability of acting as a structure, institution or an actor.
- Today, the usage of recommendation systems is giving rise to an 'algorithmic culture' (Striphas, 2015), with technology operating as an instrument of exerting power, furthering economic and political interests and transforming 'taste' not only on an individual, but a collective/societal level (Just and Latzer, 2017; Karakayali, Kostem and Galip, 2018).

Research Questions

- What happens to consumers' taste structures when they consume in algorithmically enabled, networked and assisted consumption fields?
- How do consumers navigate the discovery of new products in such technologically networked and assisted consumption fields?



Proposed Methodology

- The current project will be looking at consumers' discovery of new music on algorithmically assisted digital platforms such as Spotify, Apple Music, Google Play, Amazon Music, Tidal and Pandora.
- Netnographic research with secondary and primary data collection: media articles (New York Times, Forbes, Billboard Magazine, Reddit.com, Spotify Community), semi-structured interviews with millennial consumers.
- Participant Observation at Indie Week Toronto 2019: An annual conference with industry specialists, independent artists, attendees and production companies discussing changing industry dynamics.

Importance/Implications of Research

- The context under consideration has the potential to explain the role played by contemporary technology in shaping consumer taste structures.
- By uncovering the process consumers' music discovery, the project intends to showcase how consumers navigate the discovery of cultural products in today's algorithmically enabled, assisted and networked consumption fields.

Next Steps:

- Develop deeper contextual understanding through archival and netnographic data collection and analysis.
- Next step is to conduct primary data collection: semi-structured interviews and participant observation.

Digital Transformation in Retail Banking and The Role of Digital Service Development

Ting Cao (Operations Management & Information Systems)

Introduction

- Digital finance is believed to be the basis for the next generation financial eco-system. However, the Service Operations Management (SOM) literature lacks explanatory insights on service innovation in the digital age.
- Therefore, in this study, we empirically examine the impact of digital transformation on digital service performance in retail banking.

Research Questions

- How do we measure firms' efforts in generating digital service options?
- What is the impact of digital transformation on digital service performance in retail banking?

Proposed Methodology

- We develop a new construct, digital service development, to capture firms' efforts in generating digital services. A two-stage approach is used for new multi-item scale development.
- We collect survey data and secondary data and leverage the Structural Equation Modelling (SEM) to conduct analysis and test for the potential mediation effect of the service delivery system on digital service performance.

Importance/Implications of Research

- Our study looks at development and performance of digital services to help retail banks to better seize digital moments in the customer experience lifecycle.
- The results offer not only "know-what" of digitalization but also the "know-how" of developing digital services by appropriately managing and improving relevant perspectives to achieve higher digital service performance.
- The efforts towards digitalization should not be unidimensional.
- Our aggregate measure of digital service development, suggests that financial service providers should consider the following five perspectives: digital service development strategy, digital service experience management, digital culture, digital service operational integration and digital service development process.

Next Steps:

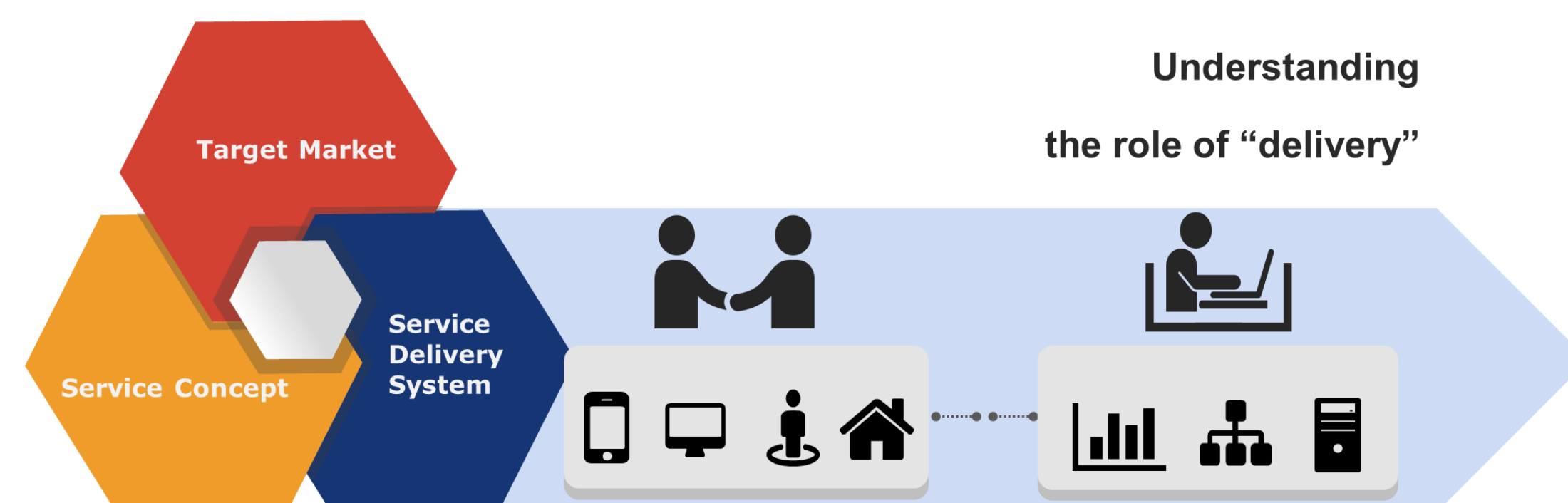
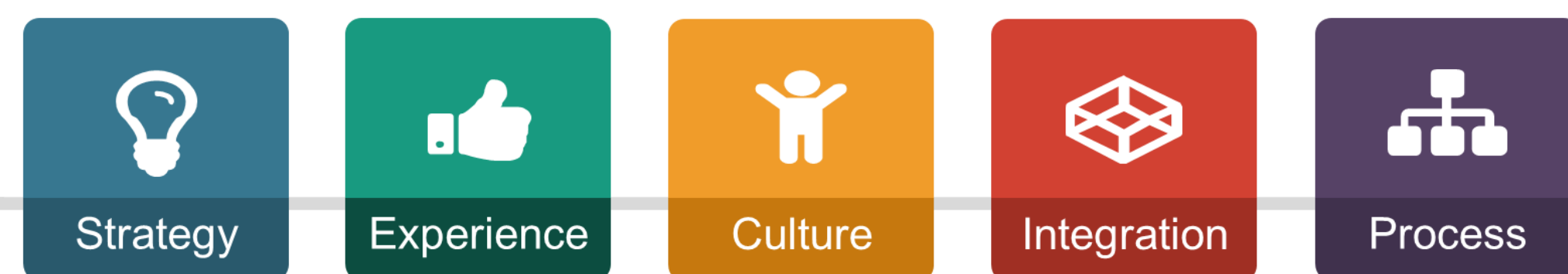
- We will launch the *Innovation in Digital Services* Survey, which is jointly conducted by Schulich and Deloitte.
- Results from this survey will help to inform banking executives on key drivers and best practices for undertaking in and delivering digital transformation both to their employees as well as to their clientele.

Interested in taking the survey?



Invitation Code: *researchday2019*

Digital Service Development



Acknowledgements: We appreciate the support of the Deloitte Cognitive Analytics and Visualization Lab
Project was funded by SSHRC

The Soft Side of Political Conservatism? The Bounded Effects of Political Conservatism on CSR

Tony Jaehyun Choi (Organization Studies) and Yuval Deutsch

Introduction

- **Domain:** The influence of political ideology on corporate social responsibility (CSR)
- **Theoretical framework:** The logic of appropriateness + social capital theory
- **Gap:** The simplistic view on underlying values of political conservatism (i.e., political conservatism = free-market capitalism)
- **Research question:** Would different types of social capital in a local community elicit different values from political conservatism - *free-market capitalism versus community spirit and religiosity* - and, in turn, drive firms' CSR engagement toward the opposite directions?

Hypotheses

- H1: When the influence of political conservatism increases in a community, firms in the community are likely to decrease CSR
- H2: The higher interfirm social capital is in a county, the stronger the negative relationship between political conservatism and firm-level CSR will be
- H3: The higher community social capital is in a county, the weaker the negative relationship between political conservatism and firms' CSR will be

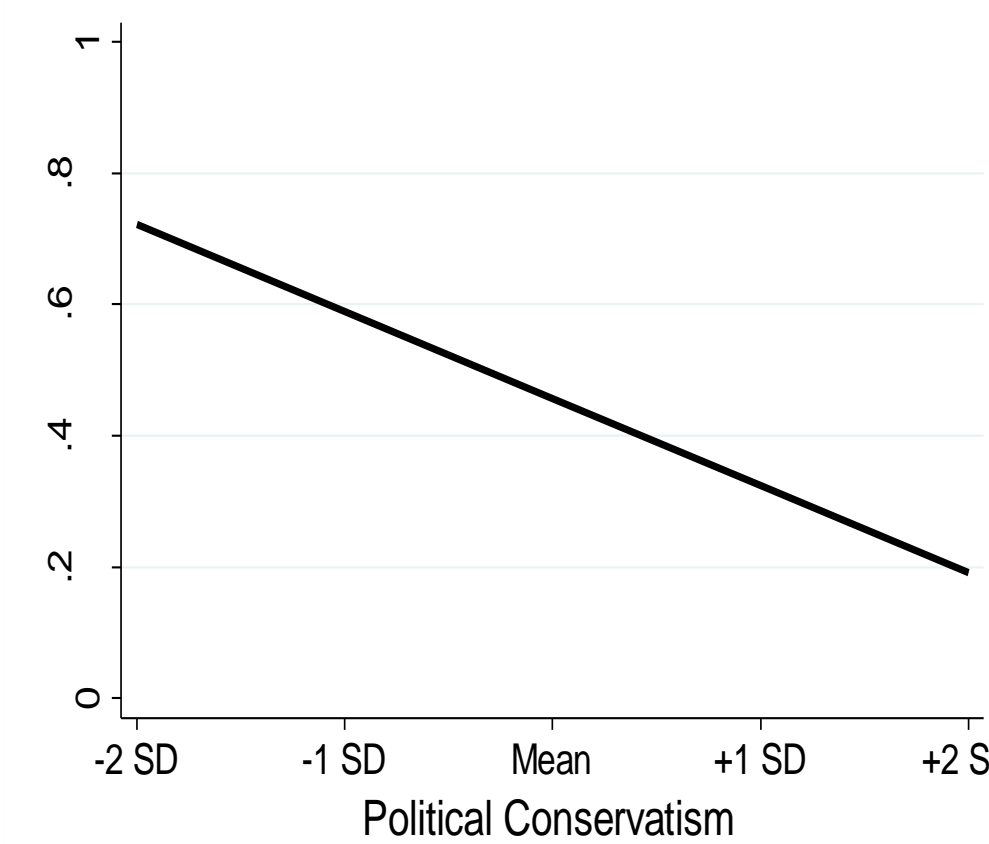
Methodology

- **Sample:** 6,508 observations (169 US counties) between 2000 and 2013
- **Measures** CSR (MSCI ESG KLD Stats), political conservatism (the relative vote share of the Republican Party in the Presidential elections), interfirm social capital (the density of business associations in a county), and community social capital (the density of social associations in a county)
- **Analysis:** Hierarchical linear model + hybrid approach (between- and fixed-effects)

Results

- H1, H2, and H3 are all supported

Figure 1. The Relationship between Political Conservatism and CSR



(Consistent with previous studies)

Figure 2. The Interaction of Interfirm Social Capital and Political Conservatism on CSR

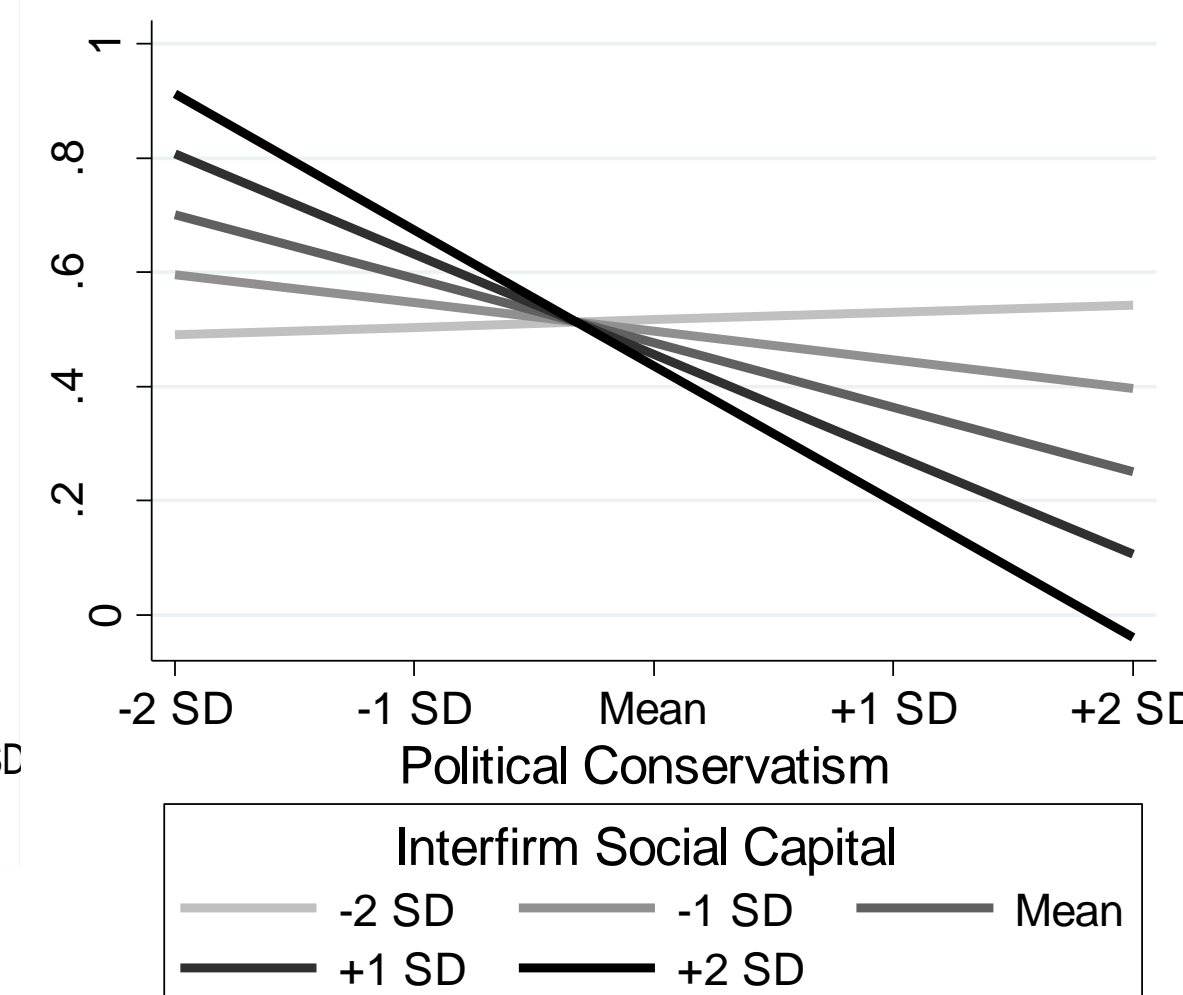
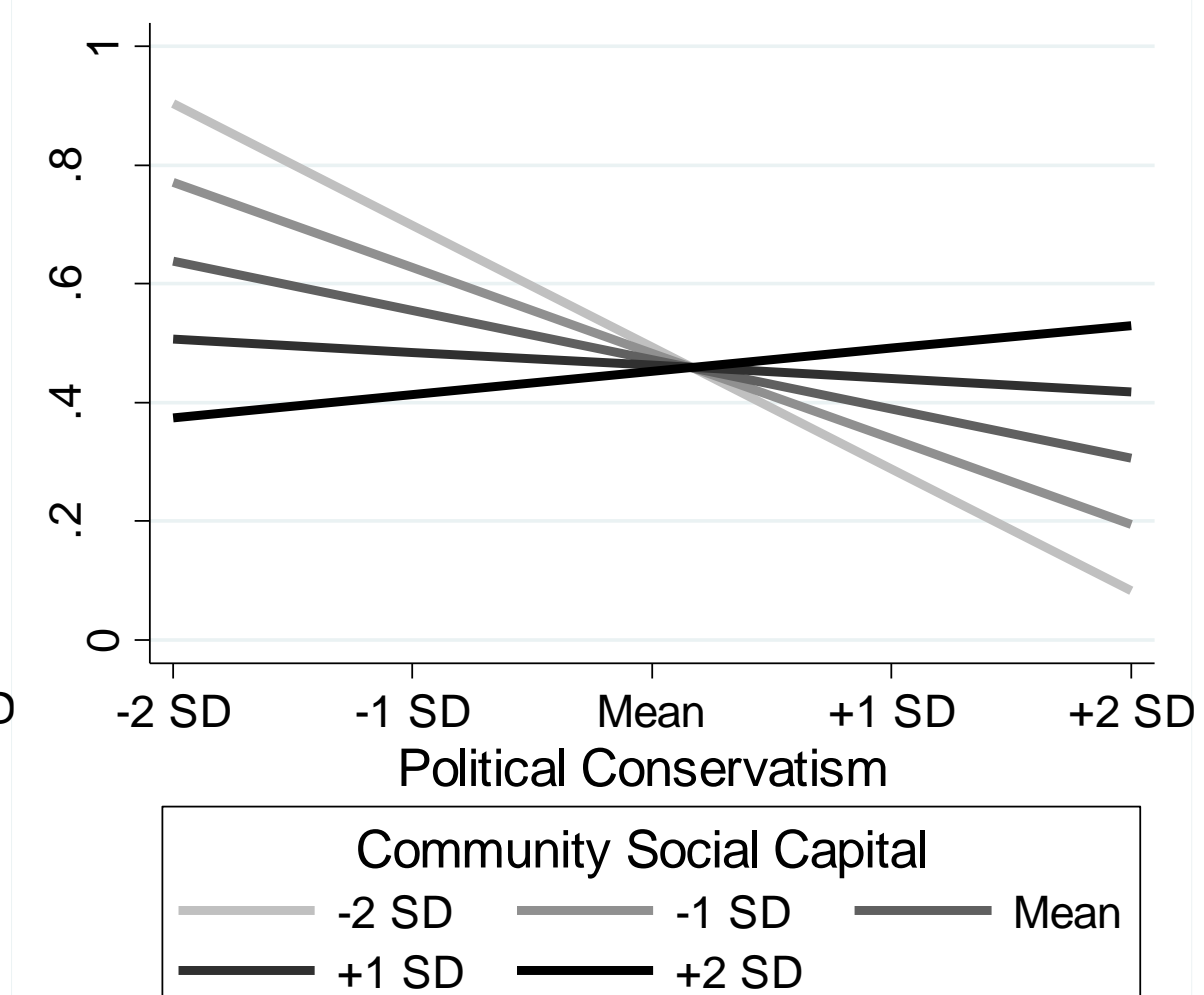


Figure 3. The Interaction of Community Social Capital and Political Conservatism on CSR



Discussion

- We find two conflicting identities of political conservatism in terms of CSR engagement: free-market capitalism versus community spirit/religiosity
- 'Which identity manifests itself' depends on 'how the situation is defined by decision-makers'
- Two different types of social capital - interfirm and community - provide firms with different situational cues and elicit conflicting stances on CSR from political conservatism

