

IMRDC 2009

Abstracts of Papers Presented

1. Early mover advantages: An Empirical Analysis of Indian Cellular Market

Author: Rajkumar Upadhyay (IIMB)

Discussant: Prof Srinivas Prakhya, Assistant Professor, Marketing, IIMB

This paper develops the relationship between the early entry and market share using 11 years panel data from Indian cellular market. The results suggest that early movers have market share advantage and early mover advantage increases with increase in the time gap between successive entries. This advantage reduces as the market moves from the early adoption stage into growth phase. The market share advantage of early movers is smaller in high growth markets. State owned fixed line service providers, who were late entrants into the Indian cellular market, are able to offset some of the disadvantage of late entry.

2. Do Emerging Economy Firms Need Ambidextrous Strategies for Internationalization?

Author: Sathyajit Gubbi (IIMC)

Discussant: Prof Rishiksha Krishnan, Jamuna Raghavan Chair Professor of Entrepreneurship, IIMB

This paper examines export competitiveness of indigenous firms in emerging economies. We contend that for such firms adopting generic strategies of pure cost leadership or differentiation alone post-market reforms may be untenable. Instead, internationalization strategies combining low cost capabilities with technology driven innovativeness are more appropriate. Longitudinal panel data on the Indian pharmaceuticals industry over the period 1992-2007, supports our conjecture.

3. Institutional Legacy and Technological Knowledge Sourcing Trajectory in Emerging Economy Firms

Author: Indrajit Mukherjee (IIMC)

Discussant: Prof Vijaya Marisetty, Associate Professor, Finance & Control, IIMB

This multi-industry longitudinal study reveals: institutional legacies of emerging economy firms during founding and subsequent history influence current trajectory of technological knowledge sourcing. Different layers of institutional environment interact with each other in influencing firm strategy and one may dominate over others. The study expounds institutional antecedents of technology strategy, develops theory on imprinting and evolution of organizational routines, and illuminates practitioners on one source of organizational resistance.

4. Examining Differential Effects of Psychological Contract Breach and Mediating Role of Trust on Organizational Outcomes

Authors: Upasana Aggarwal (IIT Bombay)

Discussant: Prof Ramadhar Singh, Professor of Psychology, NUS

The present research tests an integrative model of psychological contract breach. The relationships were tested applying structural equation modelling. Personality, job characteristics and relationships in the organization emerge as the significant predictors of

perception of breach. Results also suggest that psychological contract breach negatively predicts affective commitment, innovative work behavior and work engagement and is positively related to intention to quit. Trust emerged as the mediator in the relationships between psychological contract breach and organizational outcomes.

5. What keeps Business groups affiliated firms ticking? A View through the absorptive capacity lens

Authors: Manikandan K S & Srinivas Gunta (IIMB)

Discussant: Prof Raveendra Chittoor, Assistant Professor of Strategy, ISB

While institutional voids perspective details existence of business groups in emerging economies, their persistence post-reforms remains unexplained; so is their presence in developed economies. We propose a complementary "Absorptive Capacity" perspective with applicability at three levels: Business group affiliated firm vis-à-vis non-affiliated firm; firms from different groups; and firms from same group. Our perspective informs at these different levels through mechanisms of knowledge base, tie strength and firm-level diversification respectively.

6. Macroeconomic Consequences of Remittances: A General Equilibrium Analysis

Author: Pooja Guha (IIMB)

Discussant: Prof Shashidhar Murthy, Associate Professor, Finance & Control IIMB

The paper examines the Dutch Disease effect of workers' remittances. It explains the macroeconomic channel through which the effects of remittances get transmitted into the economy and develops a general equilibrium model to capture the linkages between remittances and the real sector macroeconomic parameters, specifically consumption and employment channels, in the context of small open developing economies. Our results indicate that remittances give rise to Dutch Disease type of effect through consumption demand dynamics and labour market dynamics. Remittances result in increased consumption, leading to an increase in the domestic price level, which causes labour to reallocate from the traded sector into the non-traded sector, thus leading to de-industrialization of the traded sector.

7. Price Discovery in Emerging Commodity Markets: Spot and Futures Relationship in Indian Commodity Futures Market

Author: Brajesh Kumar (IIMA)

Discussant: Prof V. Ravi Anshuman, Professor, Finance & Control, IIMB

The role of Indian commodity futures markets in price discovery is investigated for agricultural and non-agricultural commodities. It is found that for agricultural commodities, both spot and futures markets play a dominant role in price discovery. However, on further analysis we find that when futures trading volume is high (harvest period), futures market leads the spot market whereas in lean period both the markets play a role in price discovery. For non agricultural commodities, futures market leads price discovery.

8. Reconstructing Trust in Social Networks: Designing Accurate Trust-Aware Recommender System

Author: Sanjog Ray (IIMC)

Discussant: Prof Amar Sapra, Associate Professor, QMIS, IIMB

In our approach, trust network is first reconstructed by removing trust links between users having correlation coefficient below a specified threshold value. For prediction calculation we compare three different approaches based on trust and correlation. We show through experiments on real life Epinions data set that our proposed approach gives substantially better prediction accuracy than the original approach of using all trust statements in the network.

9. The Impact of Perceived Crowding on Consumers' Store Patronage Intentions

Author: Ritu Mehta (IIT Kanpur)

Discussant: Prof Srinivas Prakhya, Assistant Professor, Marketing, IIMB

In this research, we examine the effect of perceived retail crowding on consumers' decision to patronize a store. We hypothesize that there is an inverted-U relationship between perceived crowding and patronage intentions, which is mediated by consumers' emotions, and evaluations of the store and its merchandise. We propose a conceptual framework, and validate it through customers' survey in a hypermarket. We provide theoretical and managerial implications of our results.

10. Why do some firms gain from CSR actions, while others do not? A case survey on CSR process, internalization and competitive advantage

Author: Saroj Kumar Pani (IIMB)

Discussant: Prof Rishiksha Krishnan, Jamuna Raghavan Chair Professor of Entrepreneurship, IIMB

Following a two stage research design this paper explains the conditions and context under which CSR actions lead to competitive advantage. Empirical evidence suggests that financial consistency, competition and stakeholders' expectations are major firm level, industry level and socio-economy level variables which trigger CSR actions and facilitate internalization. The results also suggest that internalisation, involvement of critical stakeholders in CSR process and closeness of strategic CSR actions to firms' business are crucial to gain competitive advantage.