

The apple falls close to the tree - technological imprinting in the multinational corporation

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Extant literature on the internationalization of research and development in the multinational corporation (MNC) typically emphasizes the changing or evolving nature of foreign subsidiaries. This paper takes the opposite perspective, arguing that during the brief period when foreign subsidiaries turn into technologically advanced units they acquire capabilities that have an invariable effect on their future technological activities. We hypothesize and empirically show that during that period of transition the degree of exploration intensity of headquarter units is imprinted and has a long-lasting effect on the type of technological work carried out by the foreign subsidiaries. The findings suggest the systematic transfer of a 'blueprint' for exploration in the international growth of the MNC, with potentially broad implications for the study of foreign subsidiary development and the evolutionary theory of the MNC.

C2.1.2: Innovation and local context

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Heterogeneous spillover effects from MNE investments: Domestic learning capacity and technological opportunities

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This article examines the relationship between MNE investments and the productivity of co-located domestic firms, focusing on the boundary conditions that affect their opportunities and constraints to benefit from foreign firms. Conceptually, we build a framework that incorporates the international business view on the superiority of MNEs and makes it possible to accommodate the wide range of formal and informal interactions taking place within the geography space among collocated foreign and domestic actors. Then, we draw on insights from the strategic management literature in order to formulate a set testable hypotheses on the role played by domestic firms' absorptive capacities, as well as the nature of their operational environment. We test our hypothesis on a novel database that combines data on 12,189 Italian manufacturing firms observed over the period 2003-2009 with information on MNE investment flows into Italian provinces (NUTS3). Results suggest that the relationship between MNEs investments and domestic firms' productivity is highly heterogeneous, and that the balance between spillover and competition effects crucially relies on both domestic firms' internal learning capacity and the technological opportunities provided by their operational environment.

The role of leading firms in explaining evolutionary paths of growth: Italian and Turkish clusters on the move

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This paper presents an analysis of the long term development of the footwear industry in Italy and Turkey, focusing in particular on their main industrial districts/cluster: one in Italy and three in Turkey. Our research contributes to the reflection on the evolving relationship between history-dependent localization externalities and firm performances. Agglomeration benefits do exist in the various stages of the cluster life cycle. However, not all firms benefit equally from being in a cluster, and not all firms show an accelerated pattern of growth after being located in a cluster. We found that after the take-off and the clusters emergence, the dynamics of clusters is driven by the ability of some leading firms to connect the cluster (and its internal supply chains) to external markets and to global knowledge sources.

The Role of the Appropriability Mechanisms for the Innovative Success of Portuguese Small and Medium Enterprises

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This study investigates the role of formal and informal appropriability mechanisms to appropriate the revenues from an innovation in several industrial sectors, a role that is contingent on conditions such as industrial sector, type of product or service, the firm's characteristics, etc. The set of appropriability mechanisms used by a firm depends on their availability and on the firm's appropriation strategy. An empirical test using a sample of 2,875 Portuguese SMEs from the 2012 Community Innovation Survey (2012 CIS) indicated that, for the manufacturing, wholesale and retail sectors, informal appropriability mechanisms, such as lead-time and complexity, are more effective for turning process innovation into financial performance in the short-term, whereas for extractive sectors, formal mechanisms (e.g. patents) are better. For public service firms, the use of formal mechanisms increases the risk of misappropriation by competitors, by revealing the characteristics of new products and services or new production processes, making the use of informal mechanisms more favorable.