



WHY DO FIRMS ENGAGE SO RARELY IN DELIBERATE FORWARD-LOOKING SEARCH?

AARHUS BSS DEPARTMENT OF MANAGEMENT AARHUS UNIVERSITY

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MANY FIRMS ARE AFRAID OF



Being hit unprepared by disruptive change



Missing the next big thing



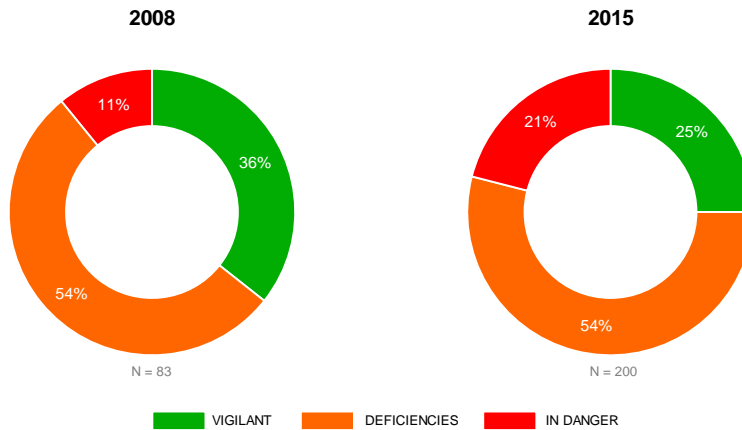
Lacking the agility to respond

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JUNE 2017 | TYMEN JISSINK, RENE ROHRBECK, EELKO HUIZINGH

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SO WHY IS THE SHARE OF FIRMS THAT ARE FUTURE PREPARED DECREASING?



OUR QUESTION AND APPROACH



Tymen Jissink

RQ What is influencing the extent to which firms engage in forward-looking search (strategic foresight)



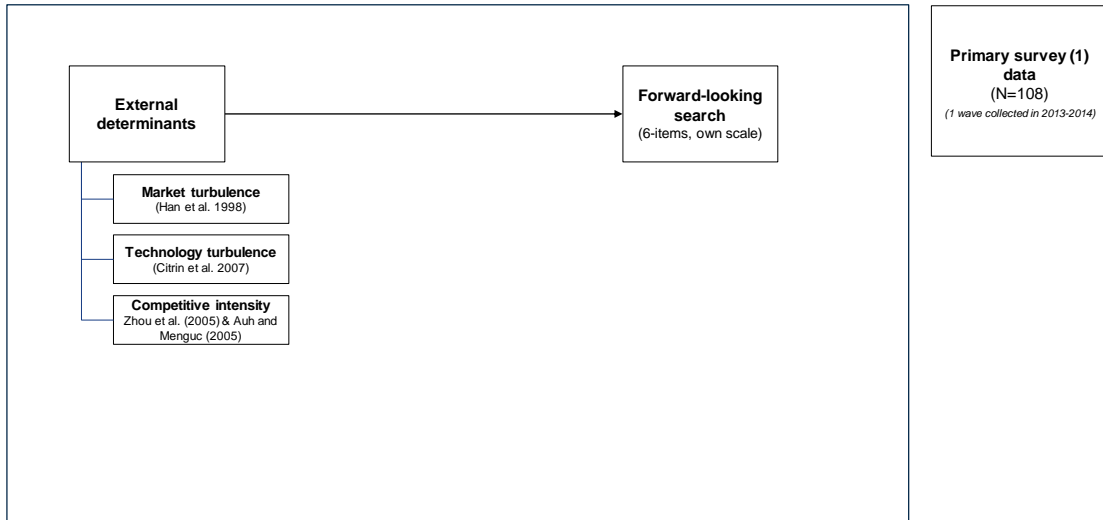
René Rohrbeck

Data Past performance data from 2010 – 2014
Survey data from 2013 - 2014

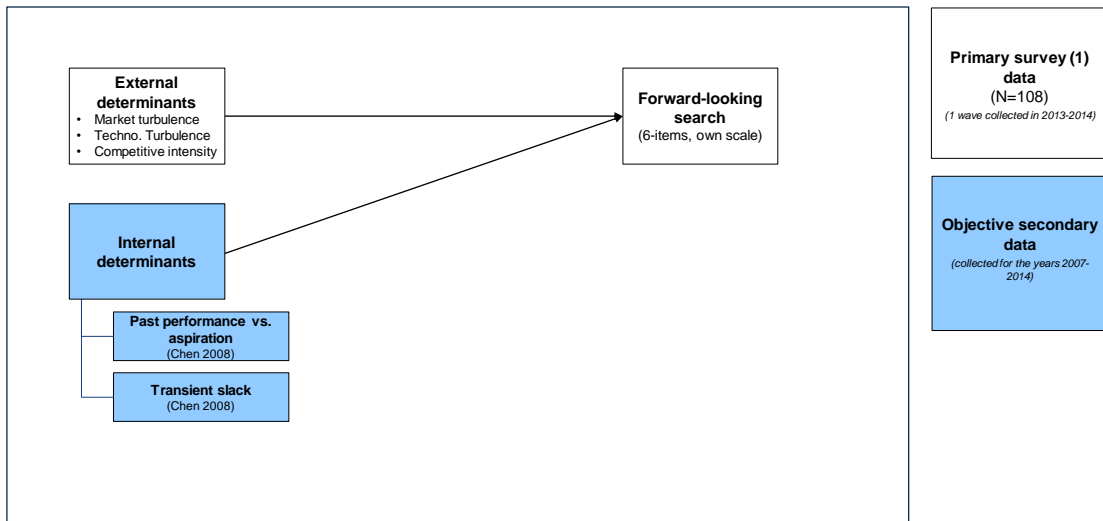


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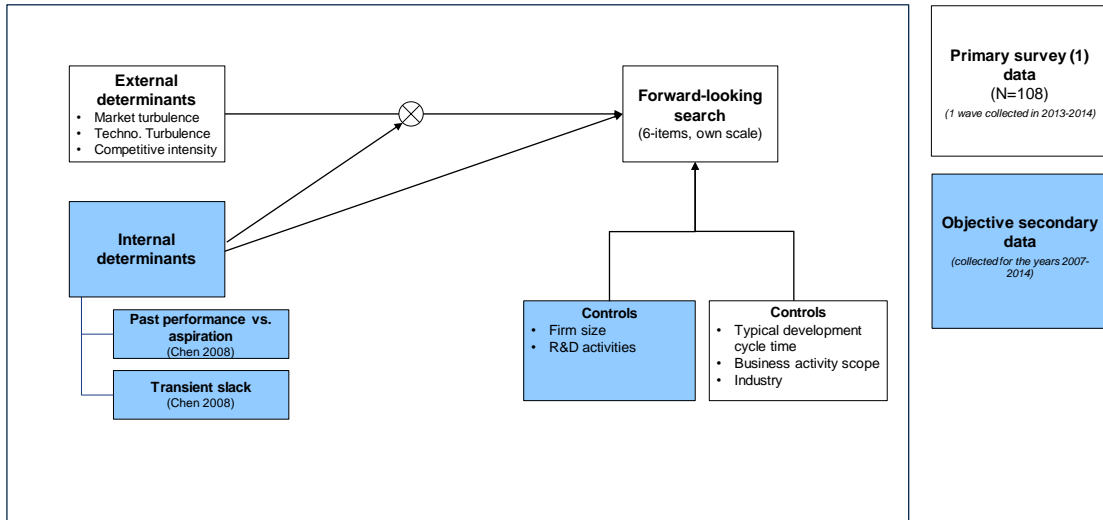
OUR CONSTRUCTS AND HYPOTHESES



OUR CONSTRUCTS AND HYPOTHESES



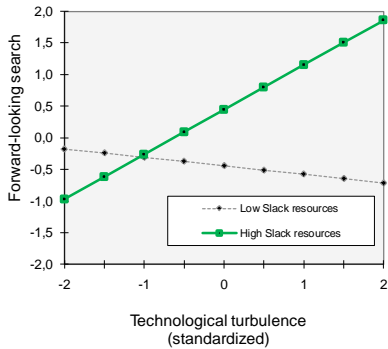
OUR CONSTRUCTS AND HYPOTHESES



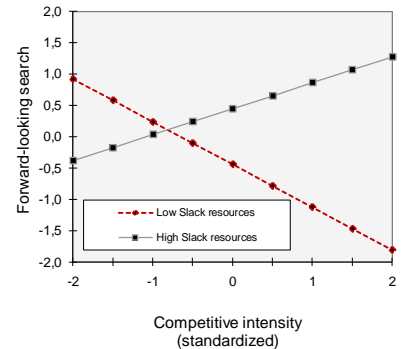
FINDINGS (1/2)

	Model 4 (Joint model)	Model 5 (Interaction model)
Performance below aspiration $t-1$	-0.12 (.082)	-0.060 (.077)
Performance above aspiration $t-1$	-0.068 (.121)	-0.135 (.115)
Slack resources t	-0.001 (.072)	-0.103 (.070)
Transient slack t	.185* (.064)	.133[†] (.060)
Performance expectation $t+1$.182[†] (.037)	.151[†] (.035)
Market turbulence t	-0.105 (.101)	-0.150 (.098)
Technological turbulence t	.167* (.104)	.259* (.099)
Competitive intensity t	-.157* (.079)	-.145[†] (.082)
<i>Interaction effects</i>		
Market turbulence * transient slack		-0.111 (.071)
Technological turbulence * transient slack		.362** (.060)
Competitive intensity * transient slack		.232** (.056)
R^2	.189	.322
F-Value	2.209*	2.399**
N	108	108

FINDINGS (2/2)



Firms do more forward-looking search **only if** they are in a **technological turbulent or competitive intense** environment **AND** have **abundant slack resources**



CONCLUSION

Past performance: matters less

- If bad: less forward-looking

Performance expectation: positive

- Forward-looking to avoid uncertainty and grasp opportunities

Slack resources: only transient matters

- Uncommitted resources to explore the future

Environmental forces matter:

- Market: not sig., Technology: +, Competition: -

Both Internal & External Factors: interactions significant!

- Transient slack: *Tech & *Competition: positive interaction



Thank you for your interest!



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