Who will join and who will decline?

An analysis of factors predicting a firm’s decision to join a university-based industrial consortium

Denis O. Gray, Ph.D.
Drew Rivers, M.A.

Psychology in the Public Interest Program
North Carolina State University
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**Study Overview**

- Address gaps in the I/U collaboration literature
  - Center marketing
  - Sub-organization factors (decision process)
  - Control group of non-members

- Help center directors and other stakeholders increase the odds that memberships will happen
Model of Informal Collaboration

Stage 1: Discovery
- Accidental encounters
- Barter economy
- Liberal sharing of information

Stage 2: Exploration
- Creative connections
- Validation of ideas
- Planning of work
- Project formation

Stage 3: Crystallization
- ‘Production’
- External recognition
- Mobilization of new partners
- Crystallized networks of collaboration

Kreiner & Schultz (1993)
Stage Model of Inter-organizational Processes

Key issues:

Initializing stage
- Weighing alternatives
- Preliminary negotiations
- Estimating value
- Clarifying parameters

Processing stage
- Identifying formal/informal obligations
- Accelerating learning
- Building trust
- Managing conflict
- Creating norms

Re-configuring stage
- Reaching end of expected duration
- Assessing performance gap
- Redefining strategy
- Redefining nature of exchange

From transaction cost to transaction value analysis: Implications for the study of interorganizational strategies. *Journal of Mgmt Studies*, 30(1), 131-145.
Model of Formal Collaboration

Negotiations
- Of joint expectations through...
  - Formal bargaining
  - Informal sense-making

Assessments
- Based on:
  - Efficiency
  - Equity

Commitments
- To future actions through...
  - Formal legal contract
  - Psychological contract

Executions
- Of commitments through...
  - Role interactions
  - Personal interactions

Case: Chemical Mfr.

Key factor: relevance to specific project

1 meet at conference
2 invite to present research
3 director emails info
4 firm discusses membership
5 internal technology deemed uncertain
DECLINE
Case: Defense Contractor

Key factor: IP Agreement

1 Eng director identifies center
2 CD sends DVD to firm
3 Eng director introduces UA director to center
4 Eng director goes to R&D director for approval
5 R&D director consults legal, recommends against it
6 Eng director secure agreement with university TTO

DECLINE
Case: Government Agency

Center and agency staff have 10 yr history
1 co-director asks section mgr to review proposal
2 section mgr promotes center internally
3 section mgr convinces higher-ups to join
4 section mgr goes to Finance to verify funds
JOINED

Key factors: Relevance, leveraging, reputation
**Stages of Collaboration**

1. **Scan**
   - Organizations actively scan the environment and engage in the research field

2. **Identify**
   - I/U collaborations often emerge from existing informal relationships

3. **Evaluate**
   - Collaborative opportunities are evaluated against organization needs; if the evaluation is unfavorable, the informal linkage is maintained

4. **Formalize**
   - Rules underlying the formal linkage may reverse a favorable evaluation; if so, the relationship returns to an informal exchange

5. **Assess**
   - The formal linkage is continually evaluated against organization needs; if the linkage dissolves naturally or is broken, the relationship returns to an informal exchange

**Decision-making**
1. Informal linkages are established in the research community

2. Potential projects or collaborations are identified and proposed to immediate manager

3. The opportunity is evaluated against organization needs by the gatekeeper, the manager, (and other researchers)

4. If accepted, then additional approvals may be required:
   - Budget approval
   - Legal review
   - Corporate oversight

• Large firms tend to introduce additional decision points in the process

Financial approval

- Partnership review, may assemble team
- Financial approval

- Contract/Agreement review
- University alliance

- Environment scan, networking
- Opportunity identification

(Upper level Manager)

(next level Manager)

(Corporate/legal)

(Gatekeeper)

(N)

(N)

(N)

(N)
Joiners: Key factors

NETWORKING BENEFITS
- Company identified potential customers on the IAB
- Company viewed the IAB as opportunity to enter US markets

ALIGNMENT WITH TECH ROADMAP
- Center research aligned with the organization’s technology roadmap, and membership fee was viewed as excellent financial leverage
- Center research viewed as particularly relevant to long-term needs
- Center research viewed as closely related to core technologies
- Center research aligned with specific project in the Company

SEEKING INNOVATIONS AND DISCOVERIES
- Company looking to borrow innovations from related areas, and to build business partnerships
- A new corporate initiative provided funding support for product groups collaborating with universities on basic research
- Company believes in supporting basic research in their industry
Decliners: Key factors

TECHNICAL ALIGNMENT
• The Center is too advanced for the Company’s current skill set
• The Company had already learned what they needed from the Center

DECISION PROCESS
• The champion was unable to garner support from the product groups
• The Company’s Internal Legal group advised against signing the contract

ADDRESSING SPECIFIC NEEDS
• The center research did not align with the Company’s current projects
• The project slated for collaboration had an uncertain market potential (and was later cancelled)
• The Company prefers to only engage on specific projects, and rarely engages in consortia
• The Organization was focused on shorter-term objectives, due to recent industry regulations
• Upper management avoids consortia; they could not be convinced of benefits outside of specific project work independent of the consortium
Survey: Variable Domains

- Respondent characteristics
  - Job responsibilities
  - Involvement in ‘networks’
  - Position in firm; levels from Decision-maker
- Relationship characteristics
  - Past transactions
  - Trust
  - Perceived Equity
  - Perceived Uncertainty
- Sub-organization characteristics
  - Policies on collaboration w/ Univ.
  - ‘Preferred’ university list
  - Complexity of decision process
  - Presence of anti-champion
- Organization characteristics
  - Financial ‘health’
  - R&D intensity
  - Size
- Research context
  - Product or process
  - Specific project or exploratory
  - Fit with Center competencies
- Perceived center characteristics
  - Technical competence
  - Operational performance
  - Structural components
- *Center structural data
Remaining work

- Proposal: July
- Data collection: August-September
- Analysis: September-October
- Defense: November

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