OPTIMAL DISTINCTIVENESS: PAST APPROACHES, THEORETICAL INTEGRATION, AND FUTURE RESEARCH AGENDA

Organizers
Eric Yanfei Zhao (Indiana University)
Jaekyung Ha (Boston University)

Participants
Gino Cattani (New York University)
David Deephouse (University of Alberta)
Rodolphe Durand (HEC Paris)
Stine Grodal (Boston University)
Oliver Hahl (Carnegie Mellon University)
Richard Haans (Erasmus University)
Brayden King (Northwestern University)
Michael Lounsbury (University of Alberta)
Ned Smith (Northwestern University)
David Tan (University of Washington)
Filippo Wezel (USI)
Charlene Zietsma (Penn State University)
Ezra Zuckerman Sivan (MIT)

Time: Friday, Aug 10, 2018 10:45AM - 12:45PM
Location: Marriott Chicago Downtown - Magnificent Mile in Addison Marriott Ballroom

Registration: Pre-registration required (no password); all are welcome!

Research Summary Submission:

If you want more targeted feedback from the panelists about your paper, or
if you have a question that you would like to discuss in the round table session, please submit a
1-2 page summary of your paper or discussion topic to *ericzhao@indiana.edu* & *jaeha@bu.edu*
by **July 15, 2018**.

Abstract

Organizations constantly face the competing pressures to be both "similar to" and "different from" their peers (Deephouse, 1999; Durand & Calori, 2006). Conformity helps organizations gain legitimacy and avoid performance penalties associated with deviance from existing norms, expectations, and practices (DiMaggio & Powell, 1983). Differentiation allows organizations to stand out from the crowd, establish unique competitive positions, and gain competitive advantage (Porter, 1996). To reconcile the competing pressures of conformity versus differentiation, organizations need to engage in strategies that achieve *optimal distinctiveness* (OD). Building on and extending the first PDW on Optimal Distinctiveness launched at the AOM 2017, we aim to systematically flesh out the various theoretical perspectives in past research, unpack the underlying mechanisms driving OD, evaluate each perspective's strengths, weaknesses and connections, and more importantly, point to directions for future research.

Organizations constantly face the competing pressures to be both "similar to" and "different from" their peers (Deephouse, 1999; Durand & Calori, 2006). Conformity helps organizations gain legitimacy and avoid performance penalties associated with deviance from existing norms, expectations, and practices (DiMaggio & Powell, 1983). Differentiation allows organizations to stand out from the crowd, establish unique competitive positions, and gain competitive advantage (Porter, 1996). To reconcile the competing pressures of conformity versus differentiation, organizations need to engage in strategies that achieve *optimal distinctiveness* (OD). In this proposal, we define optimal distinctiveness as the process that encompasses an understanding of the conformity versus differentiation pressures faced by organizations in different market contexts, the various strategies organizations employ to resolve this tension, how stakeholders perceive organizational efforts to cope with this tension, and ultimately, how stakeholder perceptions affect different performance outcomes.

Being optimally distinct is an important imperative of organizational life and this has been reflected in organizational studies across various disciplinary domains such as strategy, organization theory, international business, and entrepreneurship. While studies grappling with the notion of OD are prevalent, this scholarship has neither been critically reviewed nor synthesized to enable the development of a more progressive and cumulative domain of knowledge. Instead, past studies vary in the constructs they adopt and how they operationalize these constructs, creating ambiguities in the literature. For example, studies frame the same underlying problem related to OD with different labels such as "competitive cusp" (Porac, Thomas, & Baden-Fuller, 1989), "emancipation versus accommodation" (Rindova, Barry, & Ketchen, 2009), "progressiveness versus rationality" (Abrahamson, 1996), "static versus dynamic efficiency" (Ghemawat & Ricart Costa, 1993), "global conformity versus local

distinctiveness" (Voronov, De Clercq, & Hinings, 2013), "code preservation versus code violation" (Durand, Rao, & Monin, 2007), and "strategic focus versus strategic plurality" (Glynn, Barr, & Dacin, 2000). The labeling of the potential solutions of the conformity versus differentiation tension are equally diverse, ranging from "strategic similarity" (Deephouse, 1999), "competitive conformity" (Chen & Hambrick, 1995), "strategic conformity" (Finkelstein & Hambrick, 1990), "legitimate distinctiveness" (Navis & Glynn, 2011) to "strategic categorization" (Vergne & Wry, 2014).

While these different labels signal the theoretical relevance and scope of the common underlying issue around OD, studies have adopted different assumptions and theoretical perspectives. The divergent assumptions and approaches prevent a coherent body of knowledge from emerging. As a result, our understanding is lacking regarding the various sources of the conformity-differentiation tension, what OD entails across contexts, and what specific mechanisms can be put in place to resolve the tension and enable OD. To address this, two recent studies reviewed and integrated the past literature and called for a renewed agenda on OD research (Zhao, Fisher, Lounsbury, & Miller, 2017; Zuckerman, 2016). Taking these studies as our starting point, this PDW proposes to continue the momentum and stimulate a more systematic and comprehensive conversation around the notion of OD. This PDW also builds on and extends the first PDW on OD launched at the AOM 2017 conference in Atlanta, which was an instant success.

Through this conversation, we aim to more systematically flesh out the various theoretical perspectives in past research, unpack the underlying mechanisms driving OD, evaluate each perspective's strengths, weaknesses and connections, and more importantly, point to directions for future research. Given the broad scope and applicability of the notion of OD, our

goal is not to achieve a complete consensus among participants what OD entails, but rather motivate them to connect their unique perspectives and backgrounds with the common problem and unleash the power of this important topic. For instance, Zhao et al. (2017) discuss how a renewed agenda of OD could help broaden the interface between institutional theory and strategic management research, and how this notion can serve as a bridge for integrating insights from contemporary institutional theory to a variety of core strategic management topics. We see similar opportunities to more explicitly engage the notion of OD in contemporary research on categories (Zhao, Ishihara, Jennings, & Lounsbury, 2018; Zuckerman, 2016), competitive positioning (Cattani, Dunbar, & Shapira, 2017; Ha, Grodal & Zuckerman, 2017), field emergence (Kahl and Grodal, 2016; Zietsma and Lawrence, 2010), market expansion (Hahl & Ha, 2016), labor markets (Leung, 2016), organizational and collective identity (Karthikeyan, Jonsson, & Wezel, 2016; King, Clemens, & Fry, 2011; Smith, 2011), social networks (Zhang, Tan, & Tan, 2016), and strategic paradoxes (Smith & Lewis, 2011). In addition, we also see great opportunities in advancing the empirical front of the OD research (Haans, Pieters, & He, 2016).

Accordingly, we chose the format for this PDW to encourage open-ended discussion and conversation. The PDW will begin with a short introduction to the session, welcoming attendees, providing a background, and setting the agenda. An opening keynote address by Professor Ezra Zuckerman Sivan will follow, and then we will open up for Q&As among the audiences. Ezra will provide an overview of his take on optimal distinctiveness, as summarized in his essay in the recent *Oxford Handbook of Organizational Identity*. The thrust of his argument is that the three existing theories that explain why actors balance conformity and differentiation can be usefully

reduced to one more parsimonious theory. This theoretical integration also clarifies outstanding issues, especially as they pertain to the demand for authenticity and legitimacy.

Following the keynote address and Q&As, we will have break-out roundtable sessions. The panelists will each facilitate a table discussion. A panelist from the closing plenary panel will also be present at each table, contributing connections and continuity across the overall PDW session. The tables will each start with a provisional discussion topic, and participants will be encouraged to share their own ideas regarding how their research is related to the topic and how they could envision building a research program around OD.

Finally, all participants will reconvene for a closing plenary panel that seeks to extend OD research with a broader array of topics. Seven scholars on Plenary Session 2 represent some of the most contemporary and exciting topics of research related to OD. These scholars will offer insight about how the notion of OD could inform and be informed by these emerging and growing areas of research.

Part 1. Introduction to the PDW

Part 2. Keynote Address and Discussions

Part 3. Roundtables and Report Back

Part 4. Closing Plenary Panel

Part 5. Closing Remarks

Format and Structure

Time	Description
5 mins	<u>**PDW Introduction and Overview**</u> Eric Yanfei Zhao
35 mins	<u>**Keynote Address by Professor Ezra Zuckerman**</u> (20 mins) *Integration of theories on optimal distinctiveness & opportunities for research* **Moderator:** Eric Yanfei Zhao **Q&As** from the audience (15 mins)
40 mins	<u>**Roundtable Discussions**</u> Once we have heard from all six presenters, there will be breakout roundtable sessions. The discussion at each roundtable is semi-structured and will center around a provisional topic; this is to help participants self-select into a specific group based on their research expertise and interest. However, participants should not feel constrained by these provisional topics, but are encouraged to come to the discussion with an open mind. Early career researchers and PhD students will benefit from this format, since they will have the opportunity to gain insights into cutting edge theoretical thinking and converse with established thought leaders in the more intimate and friendly environment of a roundtable. At the conclusion of the roundtables, each group will report back to the larger group. Table Assignment: TBD (*tables will be anchored by Gino Cattani, David Deephouse, Rodolphe Durand, Brayden King, Michael Lounsbury, Ezra Zuckerman, and all panelists in Plenary Session 2*)
35 mins	<u>**Plenary Session 2**</u> In the second plenary session, we will hear from scholars on some of the most contemporary and exciting topics of research related to OD. These scholars will share their thoughts about how OD could inform and be informed by these emerging and growing areas of research. And they will be encouraged to incorporate the insights they have gained from the roundtable discussions. **Moderator:** Jaekyung Ha **Panelists:** Stine Grodal, Richard Haans, Oliver Hahl, Ned Smith, David Tan, Filippo Wezel, Charlene Zietsma
5 mins	<u>**Closing remarks**</u> Jaekyung Ha

References available upon request