

# **A Review, Integrative Framework, and Future Directions for Research on Competitive Actions**

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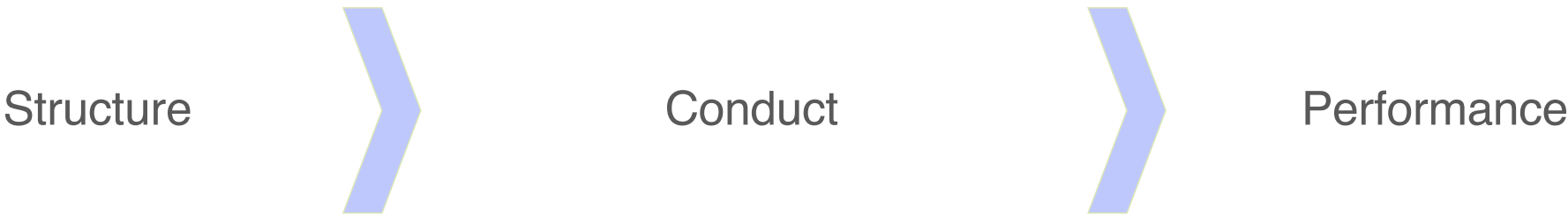
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# There are several different approaches for explaining firm performance from structural antecedents...

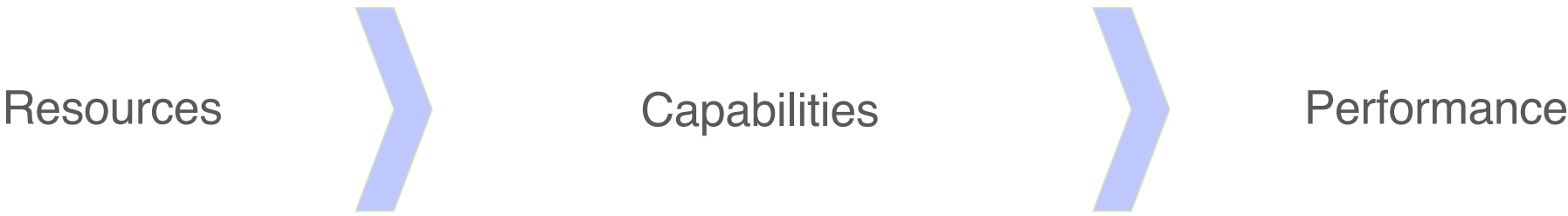
## I/O Economics Approach

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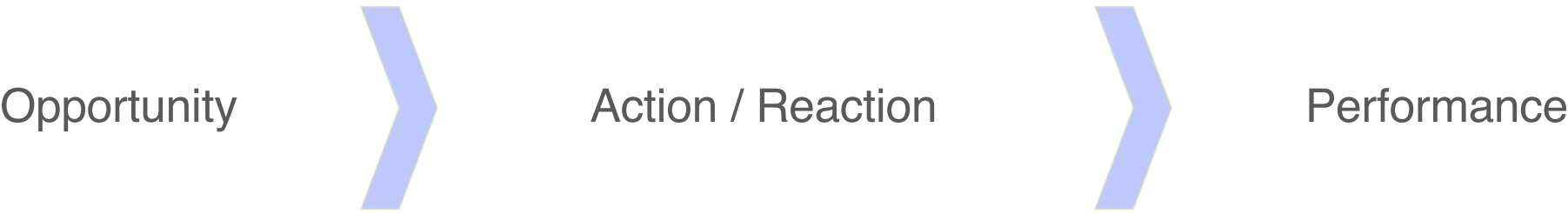
## RBV / Capabilities Approach

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## Schumpeterian Approach

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**... and competitive actions can potentially serve as a fundamental lens for integrating these perspectives...**



I/O Economics Approach

Structure



**How should we best describe and capture firm conduct?**



Performance

RBV / Capabilities Approach

Resources



**To what end are these capabilities applied?**



Performance

Schumpeterian Approach

Opportunity



**How do competitive dynamics unfold?**



Performance

Examples: Young et al., 1996; Ndofor et al., 2011; Chen & Miller, 1994; Derfus et al., 2008



**... but we must first bring order to the existing set of work to discern what areas of the field are most in need of development.**

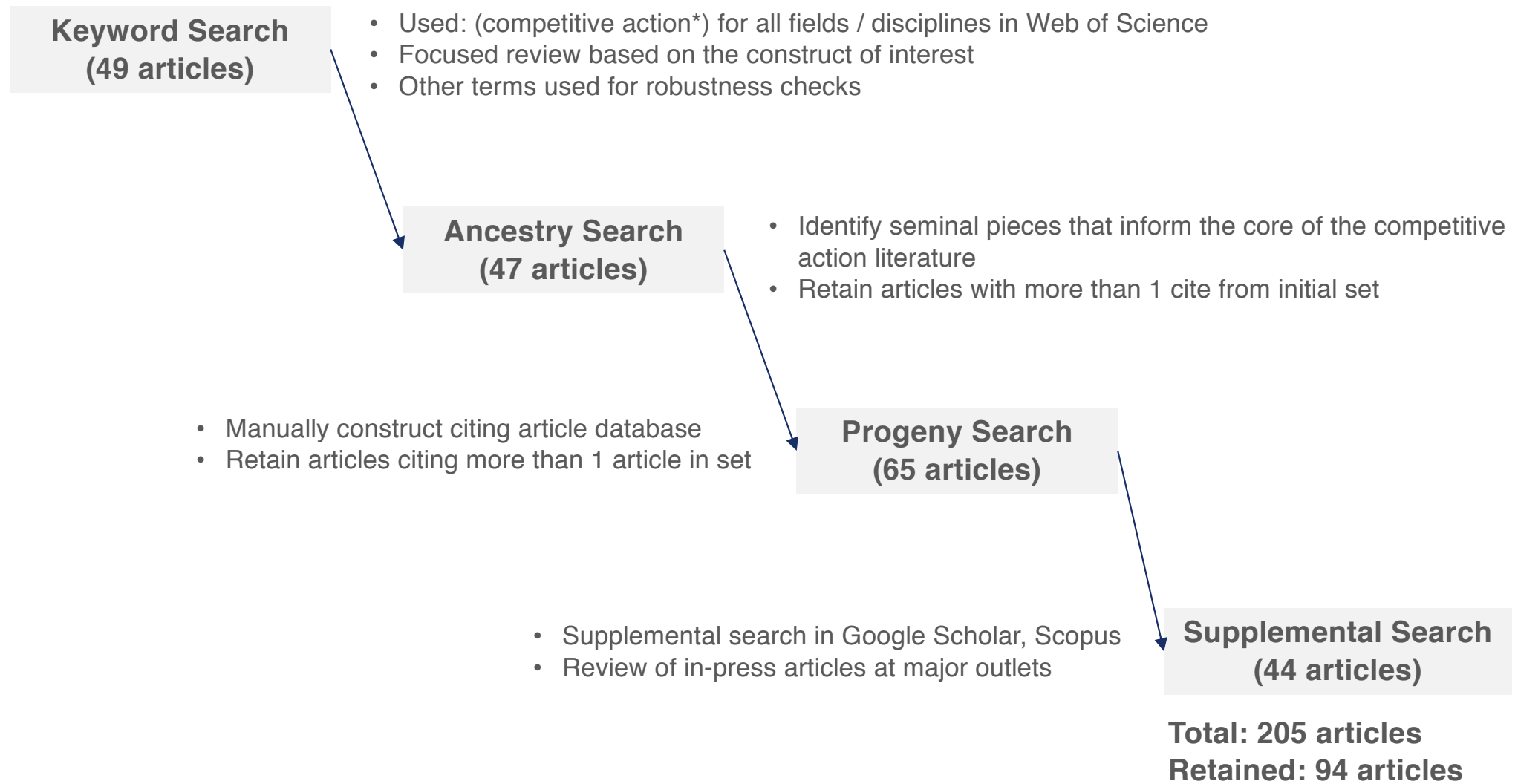
“[Competitive action research] lacks an integrative framework that can organize its many facets; its potential to bridge micro and macro perspectives within the discipline has not been realized...”  
- Chen & Miller (2012: 136)

“Despite recent advances, much remains unclear about how and why firms pursue certain strategic moves”  
- Ketchen, Snow, & Hoover (2004: 780).

“More theoretical development is necessary if the value of the competitive dynamics perspective is to be fully realized”  
- Smith, Ndofor, & Grimm (2001: 4)



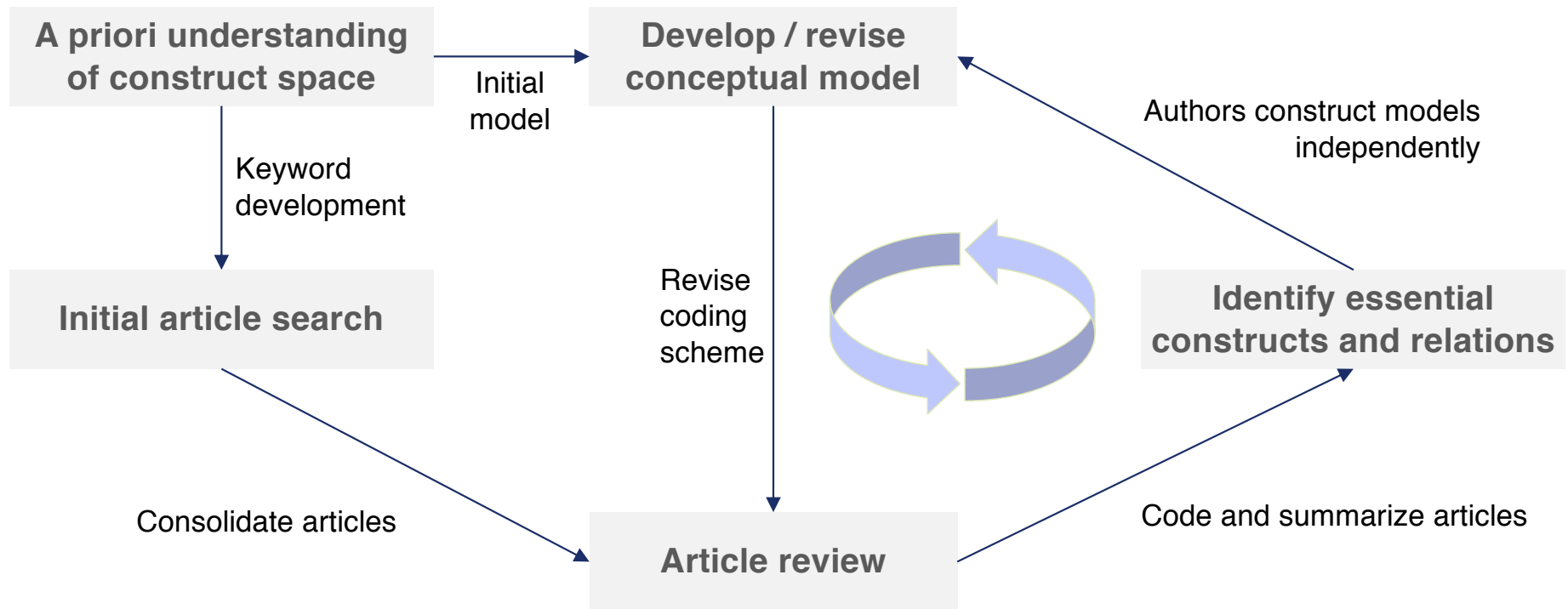
# Our review was guided by a multi-stage process that holistically captures the available research on competitive actions.



Sources: Simsek, Fox, & Heavey, 2015; Hoepner & McMillan, 2009; Tranfield, Denyer, & Smart, 2003. All figures are unique articles, net of duplicates.



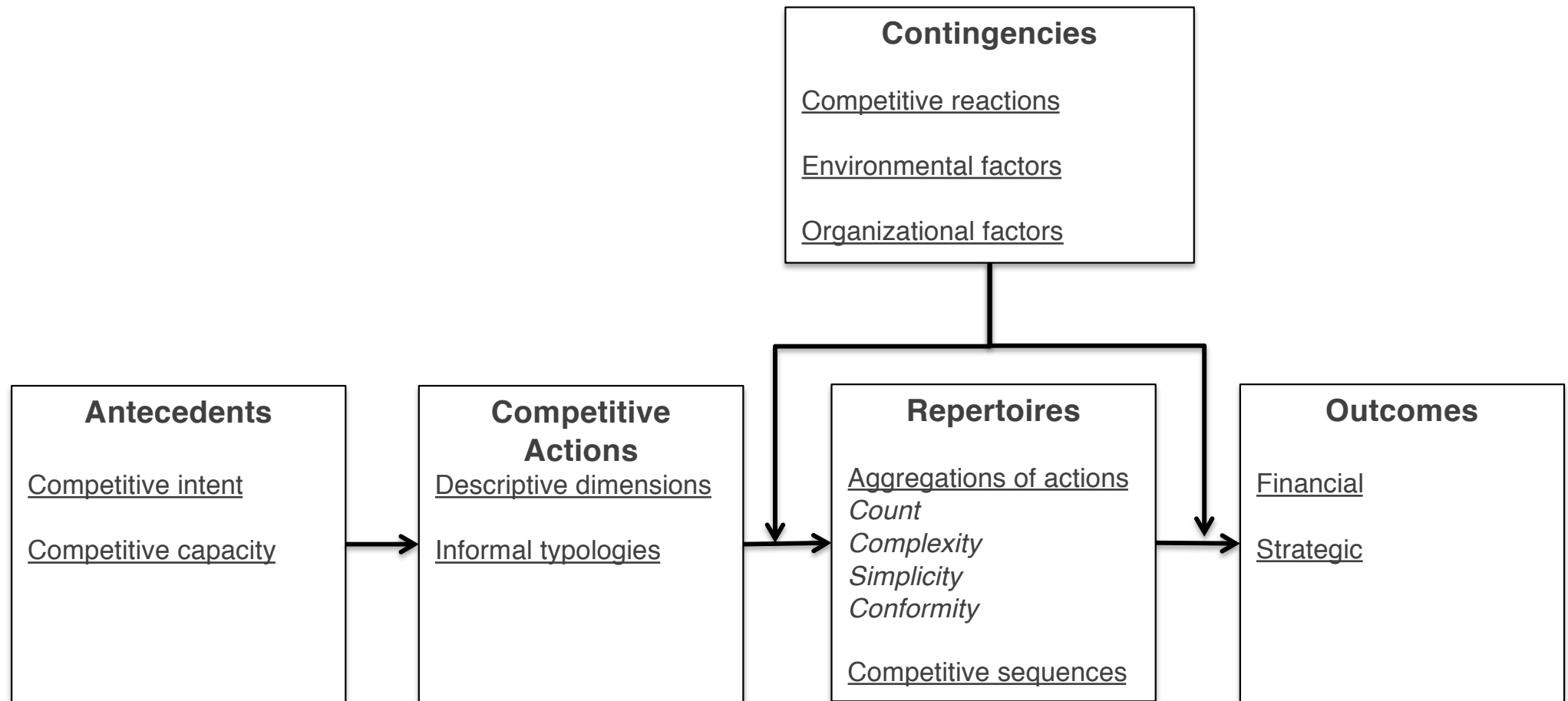
# Our theoretical framework for the competitive actions literature analysis was iteratively developed.



We performed three rounds of model building before finally converging on the presented model.



# Our guiding framework of competitive actions that captures the current state of the science is summarized below.

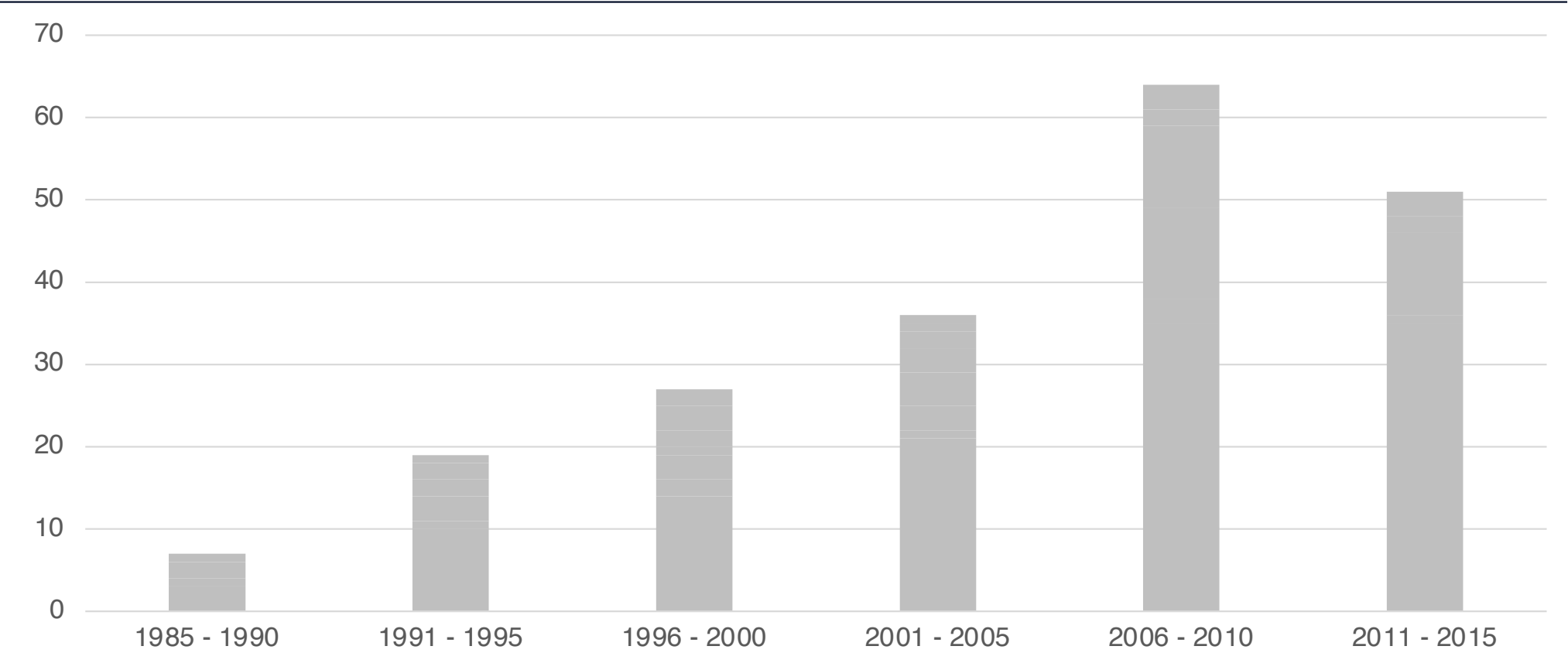


Source: Model for Consideration V4.

**The competitive actions literature has grown consistently over time, an indication of its utility and interest to scholars.**



Articles published per year by journal



Sources: Web of Science; Scopus; Journal In-Press Websites.



Competitive action studies are moving away from action – reaction dyads exclusively towards patterns and sequences too.



Count of articles by topic by five year period

**Chen & Miller, 1994:** Attack visibility, centrality and response ease are all significantly associated with increased response frequency. In addition, the interactions between expectancy and valence appear to have a gating, rather than all or nothing, relationship.

Period	Antecedents	Actions	Repertoires	Regime	Outcomes	Total
1991 – 1995	6	4	0	6	4	6
1996 – 2000	8	6	5	7	6	11
2001 – 2005	8	9	7	6	4	18
2006 – 2010	21	10	18	13	10	29
2011 – 2016	18	14	15	11	14	30
Total	61	43	45	43	38	94

**Ndofor, Sirmon, & He, 2011:** Resource breadth allows for the generation of more complex action repertoires, which in turn were shown to drive performance.

Source: Database of Studies and Hypotheses V2, Figure 2 Data.

**Stylized facts are starting to accumulate, but questions remain regarding alternative explanations.**



**Example: zero-order correlations between repertoire facets and performance**

Repertoire Characteristic	Minimum	Maximum	Average	Std. Err.	N
Count	(0.10)	0.68	0.17	0.04	17
Complexity	0.05	0.28	0.08	0.03	9
Simplicity	(0.21)	0.18	(0.05)	0.09	4
Conformity	(0.16)	0.47	0.10	0.06	13

**While some relations appear significant, we don't know have a definitive understanding of the causal directionality between action patterns and performance outcomes.**

# Candidate queries for contemplation



## Construct clarity

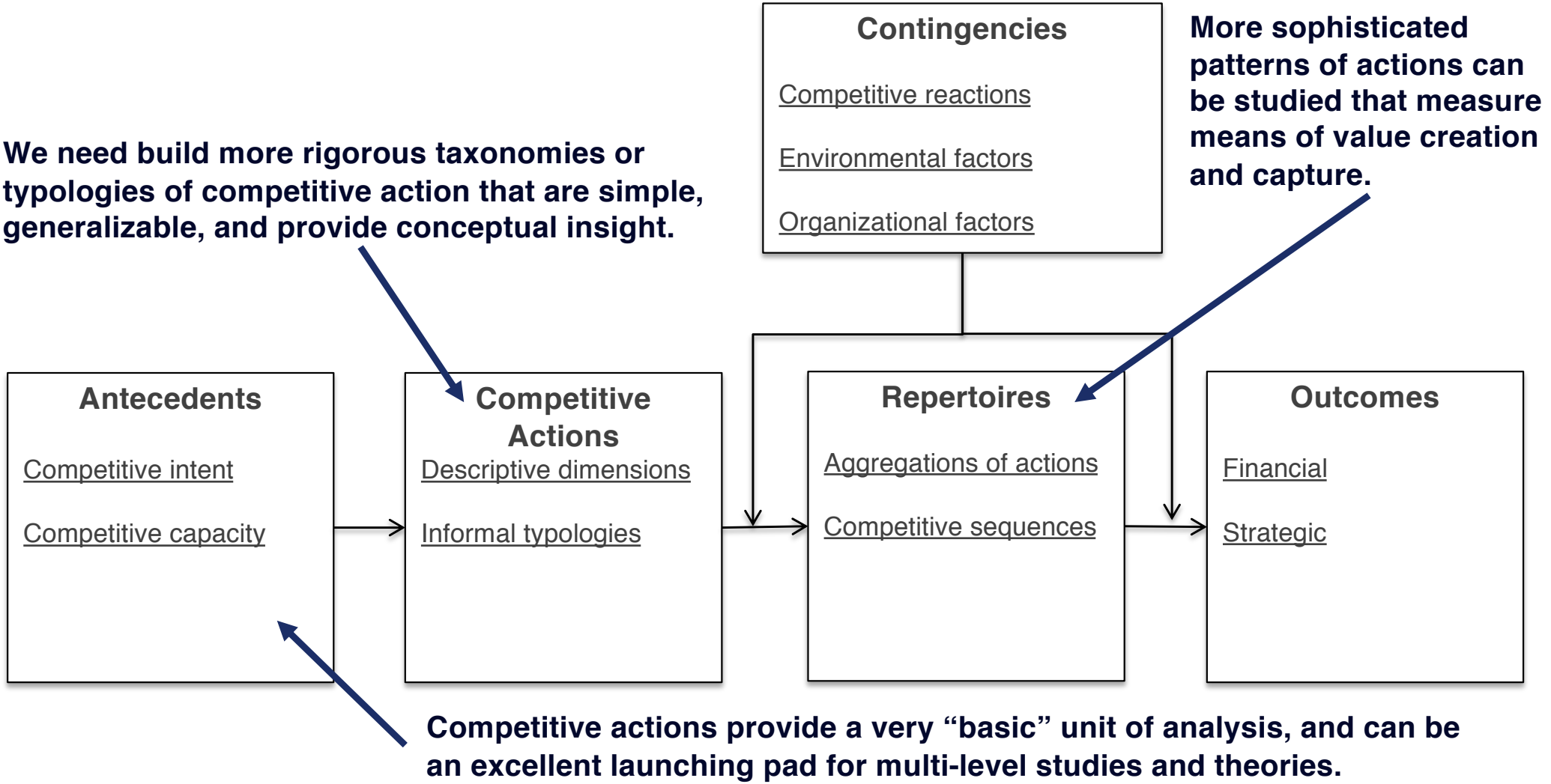
- What is a competitive action, really? Do “actions” and “activity” differ? What are the boundary conditions or the definition?
- What are the essential dimensions of competitive actions? Is it functional alignment, intended objectives, locus?
- Are there key differences between actions and reactions? Are repertoires more than the sum of their parts?
- If a competitive action occurs and no one records it, does it happen?

## “Discriminant validity”

- What incremental value does a competitive action perspective provide vis-à-vis strategy content research?
- What theoretical leverage points does a competitive actions perspective provide versus foreclose?
- What differences exist between the study of competitive actions and the study of competitive dynamics?
- How can competitive action research meaningfully draw from other theories?



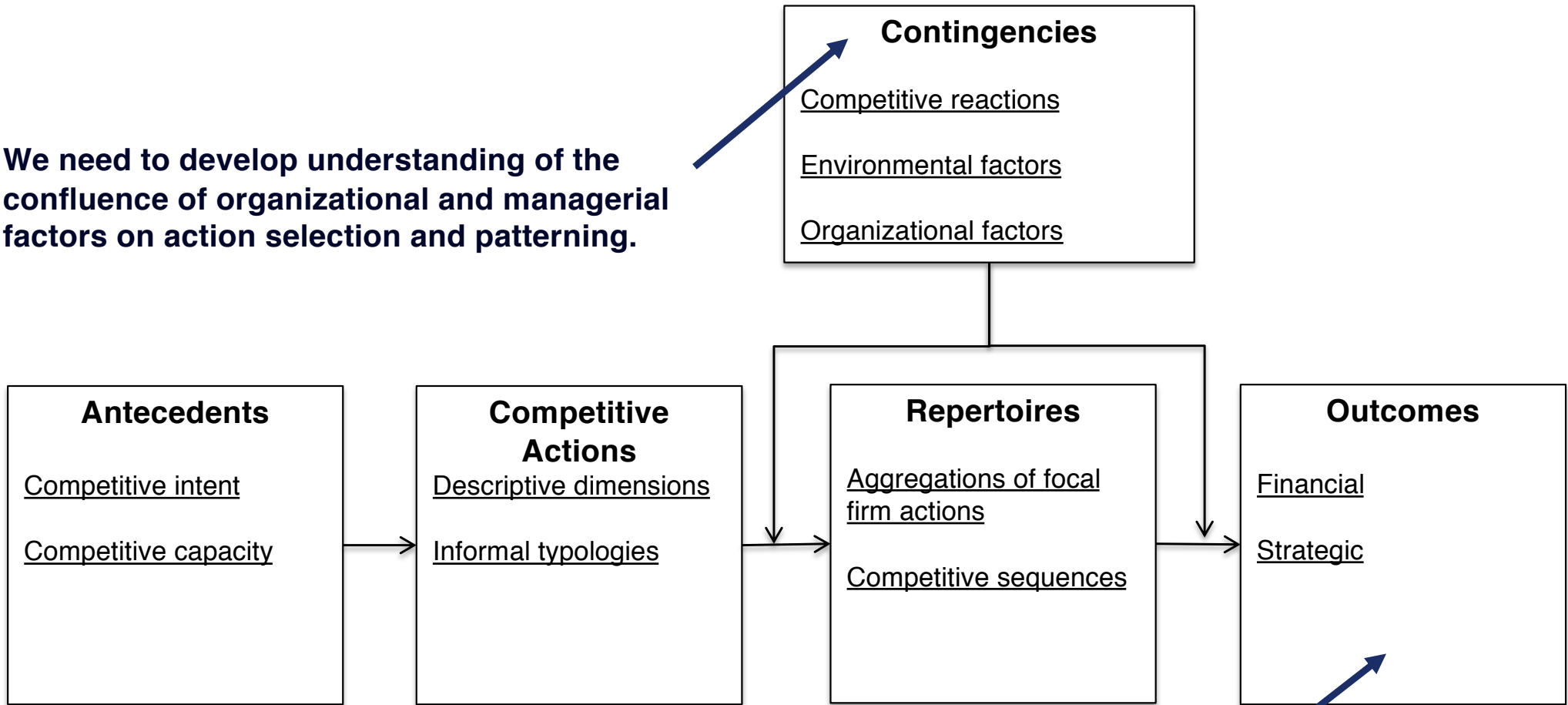
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**We need to develop understanding of the confluence of organizational and managerial factors on action selection and patterning.**



**The “feedback loop” of outcomes on both structural antecedents as well as modifying the odds of action selection remains largely unexplored.**