

EFFECTS OF NEW KNOWLEDGE FROM OUTSIDE THE LOCAL CONTEXT:

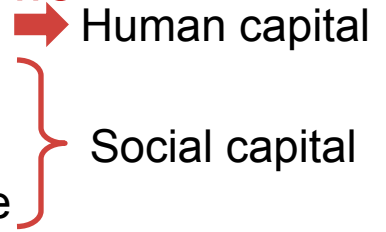
THE IMPORTANCE OF PROJECT CHARACTERISTICS TO THE PERFORMANCE OF
MOBILE PROFESSIONALS

EU-SPRI Early Career Researcher Conference

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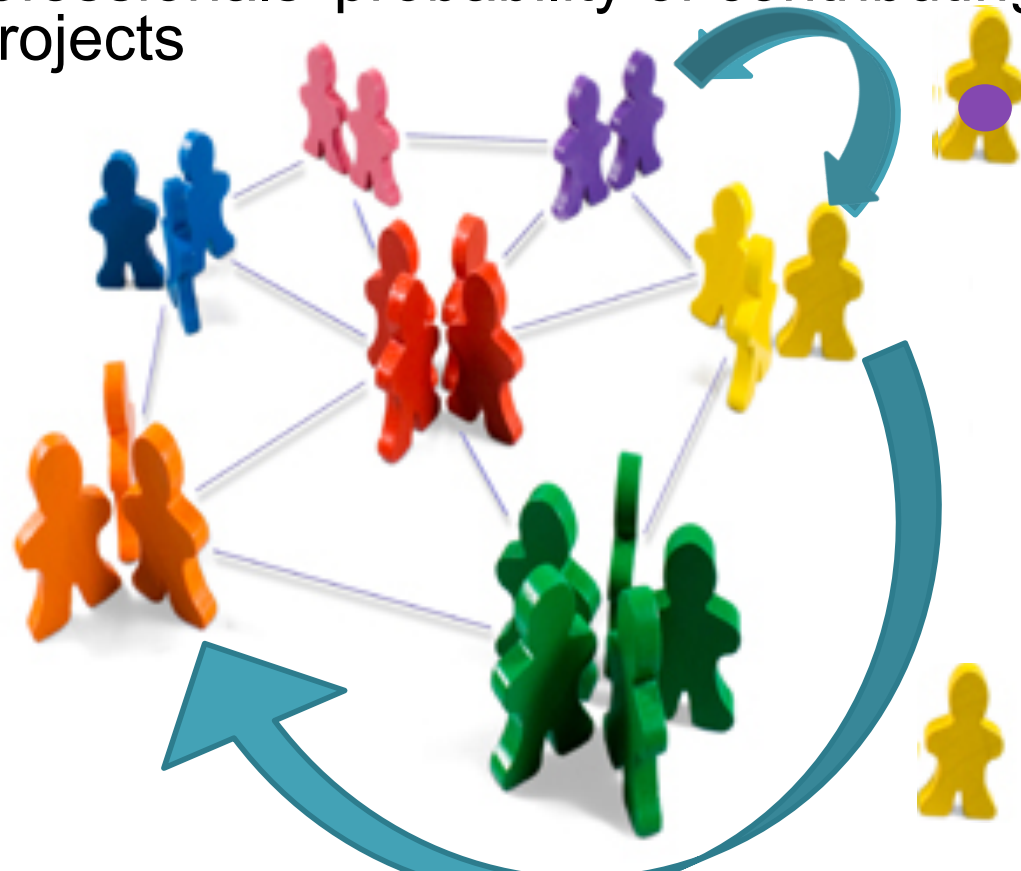
Labor mobility and knowledge

- Labor mobility facilitates **knowledge flows**
 - Learning-by-Hiring
 - Direction of attention
 - Exchange of private information
 - Favorable assessment of knowledge value

The diagram shows the text 'knowledge flows' in red. A red arrow points from 'flows' to 'Human capital'. A red bracket groups the four bullet points below 'knowledge flows' and points to 'Social capital'.
- Knowledge flows **across contexts** increase performance
 - Across geographical distance (Agrawal et al. 2006)
 - Across firm boundaries (Corredoira & Rosenkopf 2010; Rosenkopf & Almeida, 2003; Rosenkopf & Nerkar, 2001)
- **Local** versus **foreign** knowledge
 - Knowledge is sticky (Saxenian, 1994)
 - Local search predominates (Rosenkopf & Almeida, 2003; Rosenkopf & Nerkar, 2001; Almeida & Kogut, 1999)
 - Knowledge exchange across contexts increases cognitive distance between exchange partners

The context

- Key professional contributing to team production
- Temporary across-context mobility
- Individual professionals' probability of contributing to high performing projects



Hypotheses I

- Mobile professionals are better able to absorb and integrate new knowledge related to any of their knowledge
 - Allocation of attention
 - Access to private information and tacit knowledge
 - Ability to evaluate and integrate context-external information and knowledge
- *H1. Mobile professionals with experience from both local and foreign contexts will have an increased likelihood of contributing to high performance projects*



Hypotheses II

- Team level diversity benefits exploration project performance more than exploitation (Bercovitz & Feldman, 2011).
 - Diversity of perspectives and knowledge are most valuable to complex problem solving (Hong & Page 2001, Page 2007)
 - Project participants engaged in exploration face more difficult problems than participants engaged in exploitative projects
- *H2: The positive effect of combining knowledge from local and foreign contexts is moderated by a negative association between diverse knowledge and professionals' participation in projects with low level of differentiation*

Hypotheses III

- The value of brokerage is bridging structural holes (Burt, 1992)
 - Scarcity affects the value of foreign knowledge
 - Context proximity affects the value of foreign knowledge
- *H3: The positive effect of combining knowledge from local and foreign contexts on the likelihood of contributing to high performing projects increases with increasing distance between the local and foreign setting.*



Empirical setting

- The Danish film industry
 - Art film focus
 - Highly subsidized
 - International recognition
 - High profile in the children/family genre
- Production organized in project collaborations – temporary labor mobility
- Projects with varying degree of exploration/exploitation aims

Data and variables

- Background information on project participants and information on all projects (1995 and 2008)
- 1860 observations
- Dependent variable: nominations for international awards - indicator on high performance (limited dependent variable)
- Key variables:
 - Diverse knowledge obtained through across-context labor mobility (collected through IMDb and professionals' curriculum vitae)
 - Low differentiation(children/family genre) vs. high differentiation (all other genres)
 - Proximity of knowledge accumulation contexts (Nordic)
- Control variables:
 - Cluster-internal network position, production budget, marketing budget, subsidy type, language, release year.

Matching

- All 930 observations endowed with across-context labor mobility experience are matched with 930 non-mobile observations.

Exact match variables	Propensity score match variables
<ul style="list-style-type: none">• Type of role in the production process• Production period	<ul style="list-style-type: none">• Local network position• Individuals' average domestic revenue• Individuals' average foreign revenue

Results

TABLE 2 Logit Estimates for Association with High Performing Projects

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Diverse knowledge		.0881 (.2191)	.5704*** (.2816)				
Diverse knowledge (Non-Scand.)				.1419 (.2303)	.6824** (.2790)		
Diverse knowledge (Scand.)						.1089 (.1926)	.3447 (.2131)
Exploitation		.9632* (.5243)	1.771*** (.5767)	.9765* (.5248)	1.773*** (.5469)	.9617* (.5241)	1.300** (.5708)
Diverse knowledge*Exploitation			-1.707*** (.3624)		-2.391*** (.4003)		-1.030*** (.3745)
Network position	.0050 (.0171)	.0039 (.0162)	.0004 (.0158)	.0034 (.0162)	.0002 (.0157)	.0046 (.0166)	.0041 (.0164)
New entrant	-.2820 (.2725)	-.2771 (.2784)	-.2271 (.2745)	-.2719 (.2768)	-.2039 (.2756)	-.2732 (.2757)	-.2621 (.2733)
Prod. budget	-1.29e-05 (2.08e-05)	-1.75e-05 (2.36e-05)	-1.65e-05 (2.38e-05)	-1.78e-05 (2.35e-05)	-1.64e-05 (2.33e-05)	-1.74e-05 (2.35e-05)	-1.71e-05 (2.38e-05)
Artistic subsidy	1.690** (.6747)	1.787*** (.6317)	1.881*** (.6256)	1.783*** (.6309)	1.892*** (.6188)	1.788*** (.6314)	1.837*** (.6246)
English language	-.3399 (1.123)	-.1166 (1.274)	-.1501 (1.268)	-.1259 (1.270)	-.2202 (1.256)	-.1131 (1.274)	-.1193 (1.273)
Sequel	-.6626 (1.186)	-.9834 (1.109)	-1.156 (1.119)	-.9914 (1.115)	-1.211 (1.066)	-.9743 (1.108)	-1.014 (1.123)
Scand. distributor	2.091** (.8825)	1.951** (.8959)	1.909** (.9006)	1.940** (.8967)	1.866** (.9026)	1.957** (.8939)	1.961** (.9002)
Int. distributor	1.782* (1.033)	1.590 (1.003)	1.563 (.9949)	1.582 (1.003)	1.563 (.9926)	1.595 (1.002)	1.604 (1.001)
Ave. dom.rev.	-1.54e-06 (2.02e-06)	-1.61e-06 (2.07e-06)	1.59e-06 (2.11e-06)	-1.62e-06 (2.06e-06)	-1.45e-06 (2.06e-06)	-1.58e-06 (2.08e-06)	-1.54e-06 (2.10e-06)
Ave. for. rev	2.16e-06** (8.49e-07)	1.98e-06** (8.12e-07)	1.84e-06** (7.72e-07)	1.97e-06** (8.14e-07)	1.88e-06** (7.73e-07)	1.98e-06** (8.10e-07)	1.84e-06** (8.04e-07)
Front role	.2500* (.1351)	.2203* (.1330)	.2014 (.1310)	.2157 (.1336)	.1896 (.1365)	.2308* (.1366)	.2346* (.1340)
Period 1	1.428 (1.064)	1.207 (.9638)	1.146 (.9257)	1.198 (.9636)	1.167 (.9245)	1.2105 (.9627)	1.209 (.9421)
Period 2	-.1505 (1.059)	-.3997 (1.137)	-.4493 (1.126)	-.4108 (1.135)	-.4907 (1.1317)	-.4015 (1.1390)	-.4058 (1.137)
Year dummies	yes	yes	yes	yes	yes	yes	yes
Constant	-4.610*** (1.288)	-4.517*** (1.317)	-4.823*** (1.319)	-4.510*** (1.321)	-4.828*** (1.325)	-4.532*** (1.304)	-4.686*** (1.302)
Wald chi2	33.59**	48.74***	95.95***	50.75***	113.65***	47.59***	69.58***
Pseudo R2	.2119	.2294	.2445	.2297	.2545	.2295	.2345

Note. *p<0.1, ** p<0.05, *** p<0.01. N=1860

Results

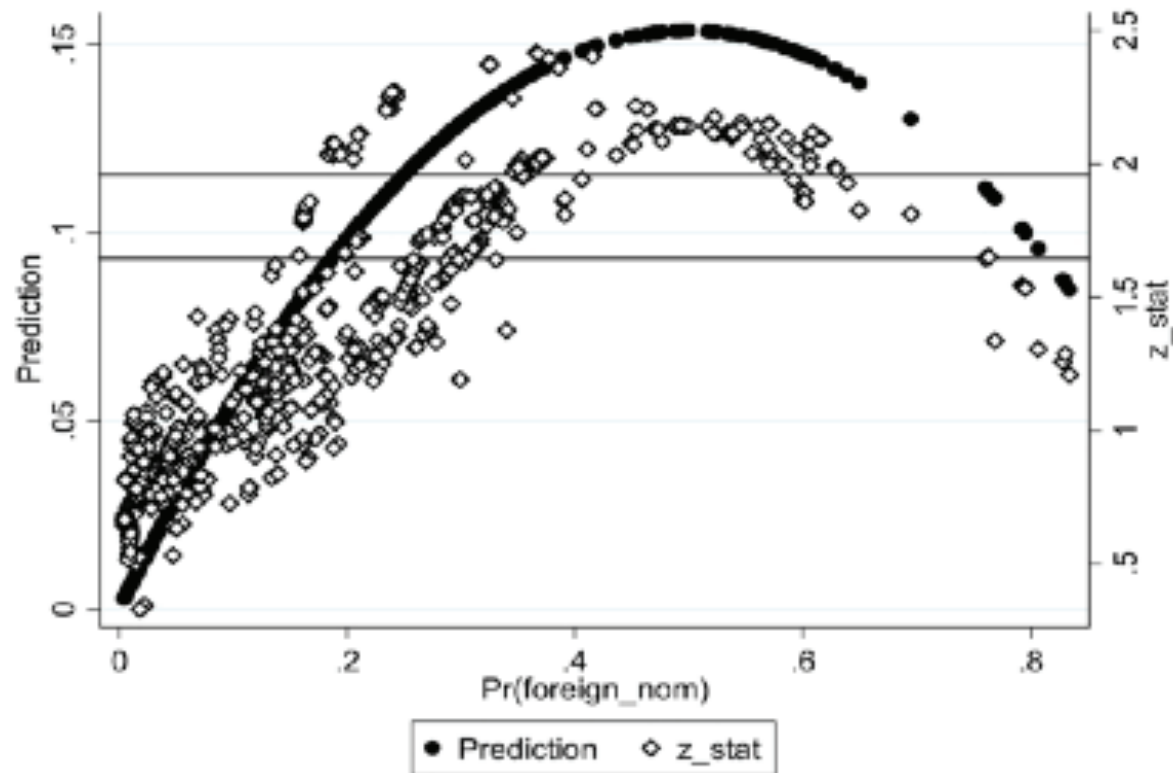
Estimating effects on probability of contributing to high performing projects

	All labor mobility	Labor mobility to distant contexts
Diverse Knowledge	.5704** (.2816)	.6824** (.2790)
Low differentiation	1.771*** (.5767)	1.773*** (.5469)
Diverse Knowledge x low differentiation	-1.707*** (.3624)	-2.391*** (.4003)
Wald chi2	95.95***	113.65***
Pseudo R2	.2445	.2545

Probability plot, main effect

Main effect

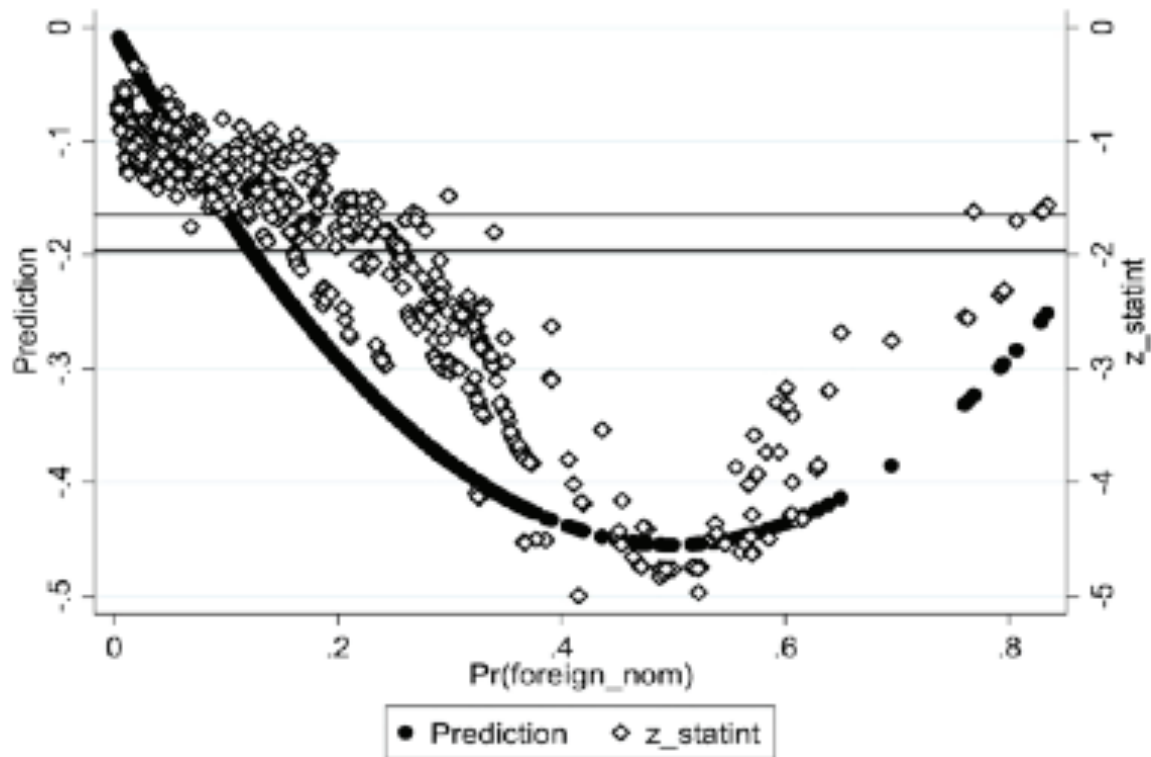
Model 3



Probability plot, moderating effect

Moderating effect

Model 3



Results

Estimating effects on probability of contributing to high performing projects

	All labor mobility	Labor mobility to distant contexts
Diverse Knowledge	.5704** (.2816)	.6824** (.2790)
Exploitation	1.771*** (.5767)	1.773*** (.5469)
Diverse Knowledge x Exploitation	-1.707*** (.3624)	-2.391*** (.4003)
Wald chi2	95.95***	113.65***
Pseudo R2	.2445	.2545

Decreasing marginal effect over time

27.6% increase for low budget productions
16.4% increase for high budget productions

78.2% decrease for low budget productions
73.5% decrease for high budget productions

Knowledge diversity as a resource

- The association between knowledge diversity and performance is contingent upon:
 - Focal project focus along the high/low differentiation continuum
 - Distance/proximity of focal and foreign context
- The value of diverse knowledge increases with:
 - Degree of foreignness
 - Scarcity
 - Lack of substitute resources



THANK YOU

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