

STRATEGIES IN DYNAMIC ENVIRONMENTS: A COMPUTATIONAL INVESTIGATION

A dissertation submitted

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In this dissertation, I develop theoretical reasoning strategies in dynamic environments by using simulation. I overcome some limitations in the dominant research tradition in strategic management that arise from overly theoretical leading to issues regarding reliability and consistency, and neglect of critical questions. I have attempted to provide answers to three distinct sets of questions regarding causes of heterogeneity of outcomes under environmental dynamism. These are presented as standalone essays.

The first essay suggests a resolution to a longstanding debate does information richness in making strategic decisions improve organizational outcomes in a dynamic environment? In the literature, one side suggests that it is actually the more information that, in a rich environment, managers pursue more information in order to make better decisions. In addition that richer information richness will lead to better firm performance. The other side, citing Simon's work on bounded rationality, holds that richer information in a rich environment will merely overload the managers with information that do not have ability to process, increase costs and ultimately lead to poorer performance. In my study, I build a model incorporating considerations of bounded rationality, to observe outcomes under a range of conditions. I find that, in a rich environment, while the quality of decisions made indeed improves with information richness, firm performance can be observed to be positive or negative depending on the level of information richness, environmental complexity and other factors.

disadvantage relative to firms that do not disclose their intentions? Moreover, increasing exploration in indeed beneficial in the environment changes from stable to dynamic, but other estimates also exist at combinations of level of exploration and exploitation?

The Upper Echelons theory suggests that characteristics of the Top Management Team (TMT) in a firm influence organizational outcomes. This literature, as, moreover, related to the combination