



# Research Meeting

Powered by **Nesta**...

## IGL Winter Research Meeting

Harvard Business School - 8 December 2016

Co-hosted by the HBS Digital Initiative (Professors Karim Lakhani and Rembrand Koning)

Please note this agenda may be subject to change

Time	Session
09:00 AM – 09:30 AM	Check-in and refreshments
09:30 AM – 09:35 AM	<b>Welcome</b> Albert Bravo-Biosca, Nesta
09:35 AM – 10:20 AM	<b><u><a href="#">Contributing to Public Goods Inside Organizations: Field Experimental Evidence</a></u></b> Andrea Blasco, Harvard Institute for Quantitative Social Science* Olivia S. Jung, Harvard Business School Karim Lakhani, Harvard Business School Michael Menietti, Harvard Institute for Quantitative Social Science  <b>Discussant:</b> Iwan Barankay, the Wharton School, University of Pennsylvania
10:20 AM – 11:05 AM	<b>Cooperation vs. Competition: Identity and Norms for Motivating Open Innovation in an Online Community</b> Xinyi Yang, Stanford University* Charles Eesley, Stanford University  <b>Discussant:</b> Michael Menietti, Crowd Innovation Laboratory, Harvard University  <i>For more information on this trial, please <a href="#">contact the author directly</a>.</i>
11:05 AM – 11:30 AM	Break
11:30 AM – 12:15 PM	<b><u><a href="#">Does Feedback to Business Plans Impact New Ventures: Evidence from a Field Experiment</a></u></b>  Rodrigo Wagner, University of Chile*

12:15 PM – 01:00 PM	<p><a href="#"><u>Entrepreneurial Role Models and Online-based Entrepreneurship Education: Results from an Ongoing RCT</u></a></p> <p>Sven Moberg, the Danish Foundation for Entrepreneurship* Casper Jørgensen, the Danish Foundation for Entrepreneurship</p> <p><b>Discussant:</b> Rembrandt Koning, Harvard Business School</p>
01:00 PM – 02:00 PM	Lunch
02:00 PM – 02:45 PM	<p><b>A Scientific Approach to Entrepreneurial Experimentation: Evidence from a Randomized Control Trial</b></p> <p>Arnaldo Camuffo, Bocconi University Alessandro Cordova, Bocconi University* Alfonso Gambardella, Bocconi University</p> <p><b>Discussant:</b> Thomas Eisenmann, Harvard Business School</p>
02:45 PM – 03:30 PM	<p><a href="#"><u>Adaptation and Social Networks in High-Tech Ventures: Evidence from a Randomized Experiment on a MOOC Platform</u></a></p> <p>Charles Eesley, Stanford University* Lynn Wu, the Wharton School, University of Pennsylvania</p> <p><b>Discussant:</b> Eric Floyd, University of California San Diego</p>
03:30 PM – 03:45 PM	Break
03:45 PM – 04:30 PM	<p><b>How do Social Entrepreneurs Respond to Rewards? A Field Experiment on Motivations</b></p> <p>Ina Ganguli, University of Massachusetts Amherst* Marieke Huysentruyt, HEC Paris; SITE, Stockholm School of Economics Chloé Le Coq, SITE, Stockholm School of Economics</p> <p>Discussant: James Phipps, Nesta</p>
04:30 PM – 05:15 PM	<p><a href="#"><u>The Effects of a Training Program to Encourage Social Entrepreneurship</u></a></p> <p>Thomas Åstebro, HEC Paris* Florian Hoos, HEC Paris</p> <p><b>Discussant:</b> Rodrigo Wagner, University of Chile</p>

\* = Presenting

## Abstracts

### IGL Research Meeting – 8 December 2016

09:35 AM – 10:20 AM	<b>Contributing to Public Goods Inside Organizations: Field Experimental Evidence</b>
<p>We investigate the factors driving workers' decisions to contribute public goods inside an organization through a randomized solicitation of innovation project proposals in a medical center with over 1200 employees. We find that a contest awarding pecuniary prizes for the best contributions generates an 85 percent increase in participation, with no difference in the quality of contributions. We show that the effect on participation is partly due to workers having positive social preferences towards the organization, rather than just the value of the prize. Participation is also increased by a solicitation appealing to improving the workplace. However, emphasizing the patient mission of the organization led to countervailing effects on participation based on gender differences. Overall, these results are consistent with workers having multiple underlying motivations to contribute to public goods inside the organization consisting of a combination of pecuniary and non-pecuniary incentives associated with the mission of the organization.</p>	
10:20 AM – 11:05 AM	<b>Cooperation vs. Competition: Identity and Norms for Motivating Open Innovation in an Online Community</b>
<p>This paper studies how open innovation communities can be designed to generate different innovation outcomes. Literature has shown that these communities can influence the innovation of participants by a variety of formal, regulatory means, such as changing the number of contestants, adjusting the structure and size of rewards and altering the level of openness (Boudreau, Lakhani and Menietti, 2016; Liu et al., 2014; Boudreau, 2010, 2012). Scholars have also studied user motivations (Jeppesen and Frederiksen, 2006; Belenzon and Schankerman, 2015; Boudreau and Jeppesen, 2014; Boudreau, Lacetera and Lakhani, 2011). However, few studies have examined whether more informal (i.e., cognitive and normative) mechanisms can impact user motivations and further exert influence on innovation. We intend to explore a number of design policies that promote competition or cooperation among community members, and assess their effectiveness in shaping innovation outcomes.</p> <p>We plan to run field experiments on a platform which holds open innovation projects for companies and universities (similar to TopCoder). Winners are decided based on a rank-order tournament scheme and users are college students. Users accomplish tasks individually but they can communicate with other participants. In the first experiment, the manipulation for the cooperation condition is inducing a community identity that is common to all users. The manipulation for the competition condition is by reminding users that they are participating in a tournament, while users in the control group do not receive any information about identity. In the second experiment, we manipulate conditions by imposing different norms. In the cooperation condition, participants will be informed that the platform has a norm of cooperation, while participants in the competition condition learn a norm of competition. No specific description of norms is given in the control group. All other factors, such as prize allocation, reward size and number of participants are identical in each condition.</p> <p>Cooperation facilitates knowledge transfer and allows users to produce novel innovation by combining diverse information. Therefore we expect that at the platform level, cooperation will result in a smaller number of innovation outcomes, but these outcomes will be of higher quality. On</p>	

the other hand, competition prompts the sense of scarcity about the rewards, making users strive to compete against others and become more protective about their innovative ideas. As a result, competition may generate more innovation outcomes, but these outcomes will be of lower quality.

11:30 AM – 12:15 PM

**Does Feedback to Business Plans Impact New Ventures: Evidence from a Field Experiment**

Feedback about business plans is thought to potentially improve ventures' decisions and outcomes. Nonetheless, there is no direct experimental evidence supporting that assumption. We show a randomized controlled trial that tests the effect of giving written feedback to entrepreneurs' business plans on the subsequent survival of their venture. Out of 88 high-stakes entrepreneurs, half randomly received written feedback and half did not. Later on both groups participated in the incubator program Startup Chile and received \$40,000. After four years treated entrepreneurs were 50% more likely to list their ventures in key websites like AngelList, a proxy for having lasted longer.

12:15 PM – 01:00 PM

**Entrepreneurial Role Models and Online-based Entrepreneurship Education: Results from an Ongoing RCT**

In this paper preliminary results from an ongoing RCT, which aims to investigate the effectiveness of an online-based programme in entrepreneurship, are presented. 3,000 randomly selected Danish ninth-graders (age 14-15) were asked to participate in a survey and invited to participate in an online-based educational programme. This random selection of participants is uncommon in RCTs, but it greatly increases the generalizability of the results (Deaton & Cartwright, 2016). The 578 respondents who agreed to participate in the educational programme were divided into two groups at random. Half of the respondents received an online-based programme in entrepreneurship containing four educational sessions with short presentations by entrepreneurs. The other half of the group received an online-based education programme with similar structure but which focused on natural science. In total 361 participants completed the programmes (183 in the experiment group, 178 control in the control group). A questionnaire that builds on the validated measurement tool developed in the ASTEE project (see Moberg et al., 2014) was used to measure the respondents' entrepreneurial development. Baseline data was collected before the respondents were randomly divided into the two groups; follow-up data was collected directly after they had finished their last educational session, and endline data will be collected in October, 2016, one year after their participation in the educational programme. The analysis of the baseline data and follow-up data shows that a short online-based role model programme in entrepreneurship can increase adolescents' entrepreneurial self-efficacy, entrepreneurial attitudes, perceived knowledge about entrepreneurship and intention to pursue a career as selfemployed. However, when it comes to more general dimensions such as creativity, locus-of-control and intention to work with innovation in established organisations, there are no significant effects. Our analysis of the endline data will uncover the "stickiness" of these outcomes. Since the majority of the participants finished their mandatory nine years of schooling in June, 2016, we will also analyse whether the participants' participation in the online programmes had an influence on their subsequent choice of secondary-level education programme.

02:00 PM – 02:45 PM	<b>A Scientific Approach to Entrepreneurial Experimentation: Evidence from a Randomized Control Trial</b>
<p>This paper investigates the performance benefit of a scientific approach to business experimentation against the more standard behavior of entrepreneurs, who follow a mixture of search heuristics like trial-and-error, effectuation, or confirmatory search. Our randomized control trial involves 116 Italian entrepreneurs divided in treated and control group. While both groups receive general training on business experimentation, the treatment consists in teaching the treated startups to formulate and test hypotheses like scientists do in research. A simple model shows that a scientific approach raises performance through two channels: precision and improvement. Precision increases the ability of start-ups to predict failure and success; improvement enables them to pivot to better business ideas. Empirical results show that both channels improve the performance of the treated startups compared to the control group.</p>	
02:45 PM – 03:30 PM	<b>Adaptation and Social Networks in High-Tech Ventures: Evidence from a Randomized Experiment on a MOOC Platform</b>
<p>To assess the impact of suggesting different approaches to the strategic process to early-stage high tech ventures, we examine their before-and-after performance in a randomized field experiment. Contrary to the finding that entrepreneurs should be adaptive and open to changing their business model and strategic direction frequently, we find that the adaptive strategy help generating superior venture outcomes only in later stages. At the earliest stage, instructing entrepreneurs to have a strong, persistent vision for their startup often results in better performance in the early stages. However, we find that having more diverse social ties can mitigate the disadvantage of the adaptive approach at the beginning of the venture and the combination of using adaptive strategy with a mentor with diverse social ties continues to yield better outcomes two years later. The results show that the formulation of a strategic approach benefits from consideration of the interaction with social network ties.</p>	
03:45 PM – 04:30 PM	<b>How do Social Entrepreneurs Respond to Rewards? A Field Experiment on Motivations</b>
<p>We conducted a field experiment with one of the UK's largest funding agencies of social entrepreneurial activity to study the motivations of social entrepreneurs. The experiment was designed to assess the effects of incentives for seeking grants and support targeted at early-stage social ventures, and the likelihood of being successful in getting these awards. The experiment encouraged 454 early-stage social entrepreneurs to submit a full application for an award (following a successful expression of interest) through a one-time mailing sent by the funding agency. The mailing either stressed the opportunity to make a difference for society (social treatment), to receive a monetary reward (cash treatment), or to receive one-to-one support (support treatment). In line with incentives theory, subjects that received an email making more salient a (monetary or in kind) reward were more likely to exert effort and to be successful in obtaining an award than subjects in the social treatment. We also find evidence of a crowding-out effect of the monetary reward; fewer individuals apply when the monetary reward is made salient in the mailing. Finally, different incentives led to a selection effect in terms of the main beneficiaries of the social venture. These results provide compelling evidence that emphasizing rewards to early stage social entrepreneurs can increase the quality of applicants/projects, but that they may come at the cost of crowding out more prosocial ones.</p>	

04:30 PM – 05:15 PM

**The Effects of a Training Program to Encourage Social Entrepreneurship**

We study the impact of a new nationally advertised six-month intensive training program to encourage leadership in social entrepreneurship among youth. Program costs were on the order of 12,000 euros per participant. We conduct a randomized field experiment where 50 applicants were randomly allocated to the program and 50 similar applicants were rejected. A short but intensive training effort provided no robust treatment effects on character skills, social entrepreneurial aspirations and intentions, sustainable behaviour, entrepreneurial actions and venture progression. Those that had made more progress on their venture prior to the start of the program were more likely to make progress afterwards, irrespective of treatment. There were also large ceiling effects. Those having the highest expectations before selection to treatment, as measured by their self-ratings on a battery of scores, and those having the highest selectivity scores as rated by independent experts experienced the smallest subsequent increase across all outcome measures, irrespective of treatment. Training people to become entrepreneurs seems to be difficult and costly.