Survivor - innovation: Dynamism and instability in networks

Hurmelinna-Laukkanen, Pia

International society of professional innovation management

info:eu-repo/semantics/article
© Authors
All rights reserved

https://erepo.uef.fi/handle/123456789/119
Downloaded from University of Eastern Finland's eRepository
Survivor – Innovation: Dynamism and instability in networks

Pia Hurmelinna-Laukkanen*
Oulu Business School, University of Oulu, P.O. Box 4600, FIN-90014 Oulu, Finland
E-mail: pia.hurmelinna-laukkanen@oulu.fi
* Corresponding author

Kaisa Henttonen
Lappeenranta University of Technology, School of Business and Management
P.O. Box 20, FIN-53851 Lappeenranta, Finland
E-mail: kaisa.henttonen@lut.fi

Heidi Olander
Lappeenranta University of Technology, School of Business and Management
P.O. Box 20, FIN-53851 Lappeenranta, Finland
E-mail: heidi.olander@lut.fi

Paavo Ritala
Lappeenranta University of Technology, School of Business and Management
P.O. Box 20, FIN-53851 Lappeenranta, Finland
E-mail: paavo.ritala@lut.fi

Abstract: In intra- and interorganizational innovation networks, complementary, collaborative, competitive and competitive elements are present continuously. This can give start to instability and tensions that eventually lead to some party/parties exiting the network prematurely. How this exit takes place is not trivial. The expertise and capabilities of those removed could be useful, or they may otherwise become influential actors later. In this study, we suggest that depending on whether the exit is chosen, forced, or natural, and on the characteristics and behaviour of the involved actors, retaliation, refraining, reconciliation, or return may characterize re-encounters. We suggest, e.g., that tensions related to earlier exit are easier resolved when the exit is due to genuine need instead of opportunistic behaviour. However, even unscrupulous behaviour in the past can be put aside, if resources and talent are really needed at the time of re-encounter. In this study, we utilize the metaphor of “Survivor”, the popular TV series, to lead our problem framing and theory building.

Keywords: Innovation network, relationship, instability, exit, re-encounter, survival
1 Introduction

“Survivor”, the popular TV-show (http://www.cbs.com/shows/survivor/), starts with “castaway” tribes competing against each other for rewards that improve their quality of life at the game, and immunity that allows them to keep their tribe intact while the other tribe has to vote their members out. At the same time, there is a social game going on that leads to formation of smaller groups and alliances within the tribes (Mixon, 2001; Salter, 2014). During this process, individual participants may be left to the outskirts based on different reasons, some related to the wellbeing of the whole tribe (i.e., removing the weakest links and distraction), and some related to more individualistic and opportunistic evaluations regarding estimated future events (i.e., trying to eliminate future competition). Those participants that do not manage to act according to expectations of majority, or are seen as a threat for later success, often end up being pushed out at tribal council (Burnett, 2001; Smith and Wood, 2003).

This kind of a setting is not that different from innovation networks competing against each other: complementary, collaborative, and competitive elements are present continuously (Möller and Rajala, 2007), which can give start to instability that eventually leads to some party/parties exiting the network prematurely (Das and Teng, 2000; Inkpen and Beamish, 1997) – and more or less willingly. Likewise, individual employees and managers may face similar issues in innovative organizations. Different networks and smaller groups emerge within larger entities, and not everyone is equally involved all the time (Nätti et al., 2014; Orton and Weick, 1990). Contrary to the “Survivor”-game, immunity is not guaranteed to anyone at any point, however.

At some point of the “Survivor”-game, the tribe boundaries are removed, and the real competition between individual participants starts (Dilks et al., 2010; Salter, 2014). Alliances may be relied on still, but inherently, the nature of the game is individualistic. One by one, contestants are voted out. While such situation does not usually occur as bluntly in innovating networks or firms, coopetition – simultaneous collaboration and competition – is a phenomenon with similar features (Ritala et al., 2009; Ritala and Tidström, 2014; Brandenburger and Nalebuff, 1995; 1996). This situation resembles a setting where commercialization of an innovation comes close (Möller and Rajala, 2007), and the emerging value capturing activity increases the competitive pressures also within networks (Fenema and Loebbecke, 2014). In fact, dynamics and tensions of coopetition have been noted in both individual, as well as organizational level (for a recent review, see e.g. Bouncken et al., 2015).

However, avoiding being removed from the game is only one step when the sole survivor is determined in the “Survivor”-game, and actually, the same applies to innovating intra- and inter-organizational networks. In “Survivor” – while some contestants are voted out for good – others will end up forming the jury that finally decides the best player of the game (Summers, 2002). Then the trick for those staying in the game is to manage the voting out of other contestants in a manner that allows maintaining such relationships with the “outcasts” that ensure favourable situation later in the game. For innovating firms and experts the game is not likely to end with just one actor being rewarded and there is much less information on who the influential actors will be, but even so, the future needs to be kept in mind. It may be that the abandoned actors are needed later, and therefore burning bridges during the value-capture race is at least as risky strategy as in the “Survivor”. In fact, innovation stories are filled with events where charismatic individuals or individual firms take different actions, and where the outcomes
of these actions are decisive regarding the future trajectories (see, e.g., Chakrabarti, 1974; Shane, 1994; Menkhoff, 2015).

It seems, however, that current research lacks discussion on these later phases, that is, what happens in case instability causes exits of network members that are possibly needed later (Gidhagen and Havila, 2014). Existing research has examined imbalance, conflicts, and dynamism in specific, mostly dyadic, relationships (e.g. Das and Teng, 2000; Inkpen and Beamish, 1997, Olander et al., 2010; Alajoutsijärvi et al., 2000; Baxter, 1985, Giller and Matear, 2001; Fenema and Loebbecke, 2014; Ritala and Tidström, 2014). Attention has often been paid to collaboration governance, controlling instability (with, e.g., relational and contractual governance mechanisms), and even repair of the relations while the collaboration is still going on (Blomqvist et al., 2005; Carson et al., 2006; Faems et al., 2008; Poppo and Zenger, 2002; Poppo et al., 2008; Dhanaraj and Parkhe, 2006). Recovery then means (immediate) “fixing” of the relationship as an alternative to termination (Dirks et al., 2009; Havila and Wilkinson, 2002; Petriglieri, 2015). Furthermore, focus has been on the reasons why business relationships end (including, e.g., differences between actors within the company [Smith et al., 2002]; fragility of the relationship, mutual ignorance, thin networks [Hallén and Johansen, 2004], dissatisfaction, or low satisfaction [Ping, 1994, Ping, 1999, Pressey and Selassie, 2007]), and the termination process, but what actually is done about this is less clear. In fact, Fenema and Loebbecke (2014, 516) suggest that “current literature lacks a coherent framework for analyzing how organizations can effectively deal with tensions arising in their dyadic interorganizational relationships”. Even less is known about the aftermath of exit in networks (Gighagen and Havila, 2014). To better understand this phenomenon, the overview of different potential outcomes and development paths – including the survival and management mechanisms of actors and the remaining network after exit is needed.

This study addresses these research gaps, trying to identify different strategies that individuals and organizations may take in trying to manage the complex and conflicting surroundings – in trying to survive in intra- and inter-organizational innovation networks. In particular, this study searches answers to the research question of what happens when an actor is “voted out” (unwillingly) when this same actor may (or may not) become relevant in the future: what determines the final outcomes and how are the rough spots overcome? Here, we pursue a relatively wide overview rather than deep analyses of specific aspects, and place more focus on the more problematic exits than the smoother ones.

In the following, we will first discuss the “processes of surviving” in an environment where changes and conflicts take place, and draft archetypes for instability-based exit, outcast activities, and potential strategies for re-encounters. The “Survivor”-game metaphor is carried through the study while at the same time drawing from different disciplines and theories. Illustrative case examples are analysed to gain practical insight. Purposive sampling is used to identify such cases where individuals or organizations have drifted into imbalance with other relevant actors, and the ways to manage (in) these situations as well as their outcomes are examined. Concluding remarks are made with directions for future research.
2 Processes of surviving – dealing with dynamism and recovering from conflict

While “Survivor” as a TV show hardly is an authentic illustration of what happens in networks and groups of individuals and organizations, it has been noted that it can provide an “insightful demonstration of the organizational processes.” … “While Survivor is a contrived situation, the behaviors exhibited are an excellent demonstration of how leadership and organization develops” (Spohn, 2005). Likewise, Mixon (2001, 89) has suggested that “literature and drama can be used to develop economics principles” (see also Salter, 2014). In fact, the show has been addressed in numerous studies in the fields of media research, social psychology, and game-theory, for example (e.g., Dilks et al., 2010; Dixit, 2005; Salter, 2014; Breshanan and Lee, 2011). For this study, “Survivor” provides lenses through which to examine the dynamics in intra- and inter-organizational innovation networks.

On more theoretical side, quite a few aspects related to relationships of innovative individuals and organizations have been addressed during recent years (Håkansson and Ford, 2002; Grayson and Ambler, 1999; Oliver and Ebers, 1998; Dhanaraj and Parkhe, 2006; Ritter, 1999; Halinen and Tähtinen, 2002; Powell and Grodal 2006; Provan et al. 2007). For our study, findings from relationship management and ideas derived from alliance tension and co-opetition literatures are the most relevant ones, the former providing foundation for network-related issues, and the latter connecting network aspects to value creation and capture through innovation. Within these streams of research, it has been established that collaborative value creation increasing the potential profit of all participants also links to individual value-capture (Ritala et al., 2009; Ritala and Hurmelinna-Laukkonen, 2009; Gnyawali and Park, 2009). This means that different actors continuously balance between the goals of their own and the networks to which they belong (see Husted and Michailova, 2010; Husted et al., 2013 on dual allegiance). It is more than likely that at some point the goals do not align, which gives a start to imbalances of different severity (Das and Teng, 2000; Hibbard et al., 2001). In some cases, the situation passes without much interference, but others result in radical changes. Literature on development of business relationships, especially their termination and conflicts, addresses these issues (e.g., Alajoutsijärvi et al., 2000; Giller and Matear, 2001; Lind et al., 2000; De Dreu, 2006; De Clercq et al., 2009; Das and Teng, 2000).

2.1 Imbalance and exit – Heading towards tribal council

“Most research dealing with business relationship ending has focused on relationship development seen as process that ends with a dissolution stage or phase (e.g., Dwyer, Schurr and Oh, 1987; Ford, 1980)” (Gidhagen and Havila, 2014). A relationship can be considered to be at the end, exit-stage, when no activity links exist between the parties that have been involved so far (Giller and Matear, 2001). In previous research, ending or termination of (business) relationships have been addressed from three perspectives: social psychology, consumer marketing, and marketing channel literature (Giller and Matear, 2001). The social psychology perspective has focused mainly on termination strategies applied in personal relationships, while most of the customer marketing studies focus on customer acquisition and retention. Additionally, a stream of literature referring to individuals being removed from organizations can be found within human resource
management (e.g., Wood and Karau, 2009). Some principles are applicable to innovative intra- and inter-organizational networks.

Within these discourses, triggers and drivers of relationship termination have become under scrutiny. Because these may set the direction for the forthcoming steps as well (Gidhagen and Havila, 2014) – and as there is earlier literature available on these issues – we devote attention to these discussions.

In their examination of marketing channel relationships, Hibbard et al. (2001) noted that it is more of a rule than exception that in collaborative activities someone eventually acts in a manner that others consider possibly destructive for the collaboration. This damaging activity can take the form of freeriding, opportunism, or conflict, for example, but also passive behaviour that may result from quite “neutral” issues, such as simply not finding the offerings of the other party valuable anymore (Anderson and Jap, 2005). In “Survivor”-game, these issues would correspond to not performing well in the competitions, not contributing to the work at the camp, or simply not fitting the alliances that are formed (Summers, 2002; Smith and Wood, 2003).

Acknowledging this phenomenon, research has addressed the reasons for destructive behaviour (see Anderson and Jap, 2005), other actors’ responses to this (Hibbard et al. 2001, Seggie et al. 2013), and reasons behind responding in specific ways (Inkpen and Beamish, 1997; Hibbard et al., 2001). Hibbard et al. (2001), for example, note that the ways in which adverse acts are responded to depend on expectations regarding the effects of responding on long-term viability and success of the relationship, and several other factors including, e.g., perceived intensity of the destructive acts, relationship characteristics before incidents, and interdependence. Depending on these considerations, responses to adverse acts can be either loyalty, voice, or, finally, exit (Hibbard et al., 2001).

From the above stated, it can be concluded that while not all disruptive behaviours of network actors lead to exit, they are not without importance as they create instability, and – if exit indeed results – they may lead to quite different exit situations. Not all business relationships are fully continuous (or episodic), and they can be terminal (Halinen and

---

1 Hunt and Heyman (2013) discuss loafers such as Morgan McDevitt (Guatemala) and younger members of Samburu tribe (Africa). In fact, there are many strategies in the “Survivor”, and some archetypes can be identified among players. The TV show itself has utilized the distinction between “villains” and “heroes”: there are players that are acting opportunistically and do anything to manipulate the game (Richard Hatch, Jonny “playfair” Dalton, Russell Hantz), and those that are liked and would deserve to win almost at any metrics (Tina Wesson, Colby Donaldson). In between, there are those strategies that rely on following others and being as invisible as possible (Cirie Fields).

2 In the Survivor game, whether or not one ends up being the one voted out depends often on having immunity (that is, something that prevents others from voting that party out no matter if there would be reasons to do so), allies keeping ones’ side, and strategies of others (Dilks et al., 2010). Winning immunity constantly allows a contestant to stay in the game, but also makes him/her a target for elimination once the opportunity to vote out the strong competitor emerges. Having a strong alliance is useful, but in the end, alliances also need to dissolve. Trying to keep a contestant that is easy to win at the end (e.g., a disliked person) in the game might be a good strategy, but it also may backfire if it means voting out own allies.

3 Episodic relationships are only established for a certain purpose or for a certain time period. These types of relationships end naturally, when the time period is over.
The ending of a relationship may occur unexpectedly from one or both (or all) the parties’ point of view (cf. unilateral- and bilateral exits; Baxter, 1985), as the imbalance and the resulting exit can touch the parties in different manners. For example, sometimes it is the destructively acting party that will be removed (i.e., others react by dismissing the party in question), and in other cases, the “victim” becomes an outsider (i.e., if an opportunist convinces others on rationality of such an act). “Survivor”-game has exhibited both of these possibilities (Mixon, 2001). In other instances, turning the tables, it may be that a party with opportunistic views disengages from the network, leaving others in a disadvantaged situation.\(^5\)

In addition, the ending can be chosen, forced, or natural. According to Hocutt (1998), chosen ending means that relationship ends, because one of the parties (unilateral exit) or both parties (bilateral exit) want to end it. This covers situations where individual actors are (more or less kindly) asked to leave, even if they would be unwilling to do so. In forced ending, on the other hand, external driver, such as a change or event in the broader network the actors are part of, forces actors to end the relationship (Hocutt, 1998). The parties may not be enthusiastic about termination, but are also able to see the rationale behind it. Finally, in the so called natural ending, the relationships become obsolete as time passes and exchange decreases (Hocutt, 1998). Due to this variety there is a need to examine the behaviours at the time of exit more closely; this is the point where the type and nature of exit are defined, and the premises for “surviving” are set.

Examination of exit strategies (Baxter, 1985) makes visible the importance of behaviour in these different instances of exit. This also extends to the viewpoints brought up in human resource related literature (Wood and Karau, 2009), for example. While exit strategies originally cover dyadic relationships rather than intra- and inter-organizational networks, lessons can be learned from them.

From above, it is clear that the ending situations can be handled very differently. The so called “other-oriented strategies” that refer to actors trying not to hurt the other party when ending the relationship have been seen to produce constructive outcomes for the parties involved (Baxter, 1985). The closer the parties are, the more likely they are to follow such strategies. For them it is important not to “lose face” because of the ending of the relationship, and even if positive situation may not be reached, neutral rather than negative results are searched for. This applies also to termination of employment, for example (Wood and Karau, 2009). According to Granovetter (1985, 490) all economic activity in modern business society is embedded in “concrete personal relations and structures (or networks) of such relations”. Hence, regardless of the fact that companies are the focal actors in the economic life, the role of individual is central.\(^6\) This has been demonstrated long since in previous studies on personal networks in networks, in both intra-, and inter-organizational contexts (Marchan et al. 1996, Ring et al. 1994). On the

\(^4\) Terminal relationships refer to situations where relationships are expected to continue, but the actual desired outcome would be ending of the relationship.

\(^5\) An example might be a powerful organization that has learned from its suppliers/collaborators enough to insource innovation related activities, and lets them go for cost reduction.

\(^6\) Following Turnbull (1979), personal relationships can fulfil different functions in business relationships: information exchange role, assessment role, the role of negotiation and adaptation, crisis insurance, social role and ego enhancement. The four first roles are task-related and linked to organisational objectives whereas the last two are more based on individual’s social reasons.
other hand, in the self-oriented strategy focus is more on the self at the other’s cost (Baxter, 1985). Especially in the case of unilateral ending of a relationship, consideration on how the other party reacts is likely to be important. Even regardless of who is actually responsible for the ending of a relationship, self-oriented behaviour likely leads to an ending with negative tone (Giller and Matear, 2001), which can have implications later on. In fact, in addition to acknowledging that exit and the related behaviours can take different forms (chosen, forced, or natural; bilateral or unilateral; negative or neutral), we also assert that the later outcomes of exit may vary.

2.2 After exit – Becoming a jury member (?)

An aspect that has not been explicitly in the surface of research is what happens after exit occurs (Gidhagen and Havila, 2014; Wood and Karau, 2009). According to current knowledge, ending a relationship leads to so called “aftermath stage” in which ending is mentally processed and finalized (Ping and Dwyer, 1992). This indicates that even if business activities have stopped and resource ties and actor bonds are broken, the actual process of ending is likely not yet over. In this stage, the parties in the relationship mentally process the ending, and make sense of what has happened. Outcomes of the relationship are also likely evaluated (Keyton, 1993). According to Duck (1982), the identities of the parties are hereby protected and image preserved. This phase can also shape the future of the parties and determine the next steps. However, less is known about these aspects (Gidhagen and Havila, 2014).

Due to the connectedness of innovation activities, different things may happen after relationship termination – especially premature one – and, as suggested above, the termination strategies used when ending a relationship are likely to lead to different outcomes for the involved actors (Giller and Matear, 2001). This does not only touch the “outcasts”, but those remaining as well.

According to Tähtinen and Vaaland (2006) individuals and organizations have a lot to lose when they are removed from networks. It may be that a lot of relational investments on both individual and organisational levels are lost, including the related time, effort, and expenses. On individual level, the ending of social and personal relationships (e.g., Roos, 1999) can be considered as lost investments. On the organisational level, loss of trust and reputation (Dirks et al. 2009), as well as relation-specific resources (Dyer and Singh, 1998) and relationally developed capabilities (Collins and Hitt, 2006), can take place. The loss of relational investments is especially noteworthy factor if the exiting actors’ network is not very large. This often means that there are not many alternative future partners, a problem which might be accentuated even further due to relationship-specific capabilities and skills compatible only to earlier network. Besides, in case the outcast succeeds to find a new suitable partner, it faces set-up costs (e.g., searching costs, and costs related to building new relationships between the actors) (e.g., Jones et al., 2002). Additionally, the dissolution process itself may be costly and there may be sanctions for future business. For example, ex-partner can spread bad word-of-mouth in the whole network, or there might be non-competing agreements set up. In the “Survivor-game”, this would be a situation where the player in question is voted out early in the game, when the contestants are not yet called to form the jury. This means that (s)he is completely removed, and therefore does not have the change to affect the final outcomes of the game, or change the image that has been associated with him/her (Hunt and Heyman, 2013; Mixon, 2001; Salter, 2014; Summers, 2002).
On the other hand, individuals, in particular, may be quite resilient and able to carry on activities in the field. For example, Havila and Wilkinson (2002), note that employees may move to new companies (or start them) and take with them the customers with whom they have been operating. Earlier connections can thereby be utilized even after the termination of a relationship (Gidhagen and Havila, 2014). Starting anew likely depends on the innovative and entrepreneurial capabilities of the actor that has been removed (see, e.g., Rerup, 2005; Rocha et al., 2013; Sarasvathy et al. 2013). In fact, the exit from an innovation network or a firm does not automatically lead to losing competitive position. The new situation can be utilized for renewal from a new perspective, without the binding forces of the original entity (cf. Håkansson and Ford, 2002). In “Survivor”, this kind of an opportunity to gain a new start was given when a “redemption island” was introduced: a contestant that was voted out was given the chance to live in isolation from other contestants and compete against each person voted out for the right to return to the game7.

At the level of the remaining network, different results may likewise emerge after exit. It may be that the exit situation actually improves the state of affairs of the actors remaining in the intra- or interorganizational network (e.g., Van der Borgh et al., 2012). If a specific actor has been blocking cooperation possibilities with valuable partners or some development trajectory, terminating that relationship may release these opportunities. Similarly, in “Survivor”, voting out a player that continuously generates conflict within the tribe may improve the game for the rest, in similar fashion to not having to pull a poorly performing contestant through challenges, for example (Summers, 2002).

However, also harmful effects may occur for the remaining network. Leaving of a party may harmfully shift the network balance and lead to other problems, even to dissolving the network: Vaaland et al. (2005, 293) suggest that “the "disengaging" parties move towards the periphery of the network […] which reduces the stability and sustainability of the whole network”. “Survivor” has shown numerous examples of trusting relationships becoming harmed, or power positioning changing unfavourably. Especially leaving other contestants in the shadows and not informing them about the upcoming vote seems to trigger problems (Mixon, 2001, Salter, 2014; Dilks et al. 2010). On a more practical level, the tribe might suffer if a player who is the provider of food, fire, and shelter, or would allow his/her tribe to win at competition with the other tribe, is voted out early in the game (Dilks et al., 2010).

In fact, this last notion gives start to an important aspect in innovation networks. The “outcast” may (e.g., through renewal or by joining another network or organization) be able to continue business and innovation activity, including activities in the field where the original intra- or interorganizational network resides. While remaining actors in “Survivor” do not have to worry about those voted out apart from their decisions in the final jury (and the redemption island twist), in business environment “outcasts” may evolve to influential actors in the field that may “deny the victory in the survivor game” or even start the fall of the remaining actors. Then the earlier exit situation may actually become decisive: what goes around comes around.

---

7 see: http://survivor.wikia.com/wiki/Survivor:_Redemption_Island
2.3 Re-encounters – The jury is in for the final vote

Collaborative activities can be returned to after a period of time when different actors have been operating separately from each other (Hadjikhani, 1996; Skaates et al., 2002). Starting a new project with an old partner can be easier as the parties already know each other, but challenges may emerge if the past burdens rather than eases the relationships. Gidhagen and Havila (2014) suggest that “different types of tangible and intangible remains may be found”, including remnants of the earlier relationship (Havila and Wilkinson, 2001) and the relationship termination process (Alajoutsijärvi et al. 2000), that may have an influence on the likelihood and success of potential reinstatement of the relationships. The authors consider a situation where a company has ceased to exist in the past, but their notions are still valid (especially considering more neutral, forced or natural exits).

In “Survivor”, those voted out do not have the actual possibility to return to the game, but they do affect the end result: If they become the members of the jury, they will decide who will win the game. Then, the earlier actions of the players are evaluated, and it will be determined whether or not the strategies adopted by the remaining players were successful (Summers, 2002; Dilks et al., 2010). Similar aspects may emerge in innovation environments. If the exit has involved a situation where another party has expropriated a valuable innovation and then removed the inventor, the outside actor hardly is willing to start collaboration later on. From a game-theoretical standpoint, such situation refers to the realization of “shadow of future” in a negative way (Axelrod, 1984). In fact, in the most extreme case, the outcast may start an active campaign against the actor that caused the outcast’s exit, for example, by initiating law suits or bad publicity, which can reach large crowds through social media. At the individual level, Wood and Karau (2009, 519) suggest that “lack of consideration for the emotional and behavioral outcomes of a termination interview can create a host of problems”. Bayer (2000) suggests that a fired employee touches numerous others that can have an effect on the organization’s image and possibilities to operate successfully in the future. During exit situations, organizations often focus on legal liabilities related to ending relationships (e.g., Oyer and Schaefer, 2000), and they easily neglect other issues. “Ultimately, angry and bitter terminated employees can have a substantial negative impact on a firm’s hard won reputational capital” (Wood and Karau, 519). This means the remaining actor(s) may face a situation where the outcast retaliates with negative action. In “Survivor”, this kind of a weight of earlier events can be seen when the jury member decides to give a supporting vote for a contestant that he/she is not angry at (E.g., during the first season Richard Hatch was despised for his tactics, and despite his strategic moves won by only one vote) (Summers, 2002).

Surely, also different kinds of outcomes may emerge. Not all reencounters are exceedingly negative, or sometimes retaliation would otherwise be a bad strategy. In “Survivor”, jury members may have enough time to adjust to the situation, and they may actually come to appreciate the strategy that has led to their exit, especially if they show in a good light (e.g., as such notable candidates to win that they needed to be eliminated). It also may be that there really is no bad blood present: E.g., the final Ogakor alliance members that ended up in the final during “The Australian Outback” were liked and votes split to the favor of most liked player, rather than between most and least hated players. In innovation networks, there are situations where a negative campaign might hurt the “outcast” even more (see, e.g., Aquino et al. 2001; Tripp et al. 2002 on complexity of
retaliation), and if there is another route out of the situation, refraining from future interaction may suffice. Furthermore, in some instances a relationship recovery can start after a period of the outcast and remaining network having operated separately. In between the worst and least problematic exits, earlier mistreatments may be forgiven but not forgotten, meaning that collaboration can start anew, but in smaller scale. Such reconciliation may be possible in some circumstances, meaning that the parties start tentative collaboration with the hopes of repairing trusting relationships (Brattström et al., 2013) through less risky, or very specific, endeavors. Finally, a full return to the earlier intra- or interorganizational network and collaboration may be possible, if the past conflicts are dealt with efficiently. In the best case, earlier conflict can even be turned to a new start (De Dreu, 2006; Tjosvold, 2008).

The ways in which the “jury duty” is embraced, and how the situation turns out may depend on a variety of issues. From “Survivor”, it is evident that the exit type and the situation in which the player finds him/herself after voting others out define the reactions of jury members towards the remaining players, but also other issues may become decisive. While Tomlinson et al. (2004) also refer to “offender tactics” (that is, the earlier exit strategy) as a factor influencing willingness to reconcile, they further note that relationship characteristics are just as important. Furthermore, they bring out probability of future violation as an influencing factor (that is, similar aspects are present as when deciding on the response to the original destructive behavior, cf. Hibbard et al., 2001). In addition to these issues, the study by Gidhagen and Havila (2014) indicates that time may be an influential factor. The authors suggest that after long period of latency, the possibilities of utilizing the remnants of earlier relationships are low, but same issue may turn into a factor allowing more positive re-encounters even after highly negative earlier exit: time erases not only useful remains, but also the hurting ones, thereby possibly allowing reconciliation, or even return to take place. Surely, the extent to which routines and processes developed through organizational learning (Vaaland and Håkansson, 2003) carry the experiences is to be considered as well.

Despite these references to potential outcomes and their drivers, there is little knowledge on these issues. Therefore, in addition to theoretical considerations, we also turn to empirical illustrations.

3 Real life innovation survivors – Case illustrations

In this section, we will examine cases of exit situations and processes after exit using short case examples of real life events. In addition to the narrative and analytical materials collected for the “Survivor” metaphor and theoretical articles on different aspects of the topic, these case illustrations serve as templates to analyse the applicability of our framework. For the purposes of our research setting, we feel that such secondary data collection is warranted, as the data access to suitable examples is very limited, and on the other hand, publicly available data used for case studies represents a valuable, often untapped data source (e.g. Ambrosini et al., 2010).

In choosing the cases, we utilized selective sampling, trying to find cases that would include the identifying information of the actors involved. This was considered necessary
for the sake of collecting data from multiple sources, and for allowing wider evaluation also beyond what could be discussed here. We started by searching for exit situations in intra- and interorganizational networks that would be relatively well known. In many cases, we ended up with insufficient information on the nature of later connections, and we suspect this to be due to sensitivity especially in case of negatively attuned exits (see also Gidhagen and Havila, 2014, on the challenges of data collection). In particular, inter-organizational networks turned out to be challenging: most stories were about complete breakup, or then relationship repair took place before the exit really happened. Below, we describe a couple of examples on intra-organizational networks that have somewhat different character.

3.1 Apple – A difficult but talented founder returns

In general, the story of Steve Jobs can be seen as a story of surviving in the field of innovation. The Jobs/Apple-case shows one form of exit resulting from imbalance, suggests what the outcast does outside its home nest, and what kind of factors induce return and affect continuation.

Steve Jobs had an important role at Apple from the very beginning, especially considering his talent to sense and seize opportunities. However, at the same time he was seen as a difficult personality to deal with (Isaacson, 2011, Elkind, 2008). When the “difficult but talented” balance changed and disagreements escalated in connection to failure to produce success (challenges with Macintosh) (Lane, 2013), he was (quite literally) voted out from Apple, which, after a while, led to his resignation (Isaacson, 2011).

During the “outcast period”, Jobs was able to redeem himself with the success of Pixar (Karabell, 2014). In retrospect, Jobs has stated that his dismissal from Apple was actually good for him as it led him to become more creative (Stanford News, 2005). During this period changes happened also within Apple: The firm fell into trouble and this led to changes in the management personnel (O’Grady, 2009). In the end, even if Jobs’s “difficult”-part was not removed, the “talent”-part was so notable, that there was finally a re-encounter with Jobs returning to steer Apple.

However, the return was not completely free of retaliation, as Jobs originated dismissal of many managers that had been responsible for his removal from the organization earlier. Eventually, Jobs managed to return Apple to profitability in 1998 and during his years as the CEO the company created a long line hit products (Shontell, 2011).

In short, the conflict-laden, chosen and negatively attuned exit was followed by return (with some retaliation). The driver of reunion could be argued to be a situation where Jobs had something that Apple wanted, and where Jobs was able to return on his own

---

9 During the search, we learned from an informed outsider about a case where a firm collaborating with its suppliers for innovation had been treating its suppliers in a manner that led them to rather collaborate with the firm’s competitors later on when the suppliers would have been needed again. In another case, an influential actor in an organization left after falling into disagreement on the future of the organization, but later on agreed to collaborate on specific issues that only required brief interaction periods. In this case, both parties were successful on their own. However, we could not find proper documentation for these cases and therefore, our illustrations at this point emphasize well known intra-organizational networks.
terms. Interestingly, it may be (based on Jobs’s comment on dismissal turning out to be a good thing) that the separation from the original network contributed to Jobs’s survival and success outside the network (see Håkansson and Ford, 2002, for the paradoxes of networks and their constraining effects), thereby making sure that return was a possibility. Another noteworthy issue is that the return was not completely free of conflict, but gave start to dismissing some of the central actors: Those responsible for dismissal of others may indeed have to encounter negative effects of their decisions later on. Relatedly, the relatively short timeframe likely contributed to this: instead of remains of the old relationships removed, they were still largely present (see Gidhagen and Havila, 2014). Jobs had become a “jury member” that could decide who would survive and who not, and he actually had gone even beyond that by becoming a factual survivor in the eyes of the larger audience.

3.2 Facebook – Futile attempts to react to unsympathetic behavior

Another case, with somewhat different streams and endings, is the story of Facebook and people behind it. In fact, the Facebook story holds at least two types of exits, with Mark Zuckerberg coming out as a survivor.

The Facebook was given its start when Harvard Student Divya Narendra came up with an idea to create an online tool to connect students on campus (Harvard Connection/ConnectU), and together with his business partners Cameron and Tyler Winklevoss tried to have Mark Zuckerberg to work on the programming (Wong, 2011). However, instead of taking upon this task (although Zuckerberg repeatedly suggested that he was on board) Zuckerberg started to work on his own social networking site, Facebook. In 2004, Zuckerberg founded Facebook with his fellow Harvard students Eduardo Saverin, Dustin Moskovitz, Andrew McCollum and Chris Hughes (Zeevi, 2013). This gave start to a couple of different exit situations.

In the first instance, Zuckerberg had become a disengager, leaving remaining actors behind. Narendra and the Winklevosses launched their website ConnectU three months after the launch of Facebook (Charles, 2009). However, as they were left in a disadvantaged situation, they started a litigation process against Facebook accusing Zuckerberg of stealing their original idea and delaying their project (Gullo, 2011). The law suit was settled in 2008 (Stempel, 2011), but in 2011 the Winklevoss brothers and Narendra appealed against the settlement as they believed that Facebook had hid information from them (Shiels, 2011). Narendra and the Winklevosses lost the appeal (BBC News, 2011). ConnectU never became a success, and turned inactive (Charles, 2009). Divya Narendra moved to work as a CEO for his new start-up, SumZero, a virtual community for professional investors (Paul, 2014). After the settlement with Facebook the Winklevoss brothers founded an investment company Winklevoss Capital, and invested also on SumZero (BBC News, 2012).

This story paints a picture of a quite opportunistic actor, Zuckerberg, who disengaged from collaboration, thereby causing problems for the remaining actors. The chosen exit was characterized by negative atmosphere, which led to others trying to retaliate through legal action and their own business activity. However, both of these eventually failed. Collaboration never re-emerged either.

The Facebook story continued to attract conflict, however. Of the founders of Facebook, Eduardo Saverin was responsible for running Facebook’s business side on the East Coast, while others worked on the site in California. Finally, Saverin was driven out
of the operations (Mallén, 2013): Zuckerberg and Saverin’s relationship got strained as a result of Saverin adding unauthorized advertisements on the site for a company that could potentially be competing against Facebook in the future, and failing to acquire the necessary funding for the company (Carlson, 2012). Correspondingly, Saverin’s post in the company was significantly reduced without him being aware of that (Vanderborg, 2012). Zuckerberg founded a new company which acquired the old Facebook, and Saverin’s share was diluted (Carlson, 2010). Saverin took Facebook to court because of his reduced stake, but the lawsuit was settled out of court (Gross, 2012). Nowadays Saverin acts as an angel investor (Wong & Osawa, 2013), while Facebook continued to prosper.

This second chosen exit had a negative undercurrent too. In this case, the outcome was very similar to the first one: retaliation failed as the outcast did not have strong enough position, and the actor that initiated the exit did succeed due to the ability to tap into opportunities on his own. However, also in this case the outcast was able to continue own activities, although in a different field.

4 Discussion and conclusions

A lot of research has been carried out on the processes through which relationships evolve and end (Gidhagen and Havila, 2014). In line with this, the reasons for imbalance in innovating entities (networks and organizations) and the possible outcomes, including the exit of one or more parties have been discussed in earlier studies. However, what happens next is not as clear (Gidhagen and Havila, 2014), and it still is not known what determines survival in the networked innovation environment ex post collaboration and end of the related relationship. This is a surprising research gap considering the large amount of such instances in the business practice, while, on the other hand, understandable from the viewpoint that access to data for such cases is likely to be very difficult. Yet, understanding these exit and after-exit processes is valuable, as it may be that those actors once removed from networks or organizations affect the faith of the remaining actors later on, or create their own paths and innovation trajectories. In particular, in innovation networks – where coopetition and bargaining over value that is being created is frequently present – partings and re-encounters are likely to emerge. Then, the question arises whether re-encounters can be positive, and what kinds of aspects determine how the earlier partings can be overcome. This study contributes to existing knowledge by comprehensively analysing the processes of exiting, after exit, as well as re-encounters with both theoretical development and illustrative case examples.

4.1 Implications for research

Summarizing the above theoretical, metaphorical, and illustrative discussions, the final outcome regarding re-encounters of actors that have parted earlier could be retaliation, refraining, reconciliation, or return. Which of these is the most likely one, depends on a variety of things. First, the most recent developments seem to be relevant: the innovative success of the “outcast” seems to indicate that this actor can – to large extent – set the tone for the re-encounter, but the situation of the remaining network also is influential: While resources, capabilities, and strategies of individual actors play undoubtedly an important role, what others appreciate or tolerate is of relevance. The re-encounter could
be seen as a negotiation situation, where bargaining power is particularly carefully evaluated. In the final tribal council in “Survivor”, both the jury members and finalists can make their cases that jointly determine how the actors on both sides are seen not only by the individuals casting their votes for the winners, but also by the larger audience.

The ways in which the bargaining power is utilized on either side – like possibly the success or failure of the actors during separation also – depend on the earlier exit; the type of the exit (chosen, forced, natural/unilateral, bilateral), its aims (removal of disturbance, opportunistic disengagement, etc.), and the exit strategy (other-oriented, neutral strategy, vs. self-oriented, negative strategy). For instance, chosen, negative exit quite easily leaves open the possibility of punishment if an opportunity for it arises (see the Jobs/Apple case: even if return took place, some retaliation emerged). On the other hand, return is most probable when both parties genuinely need each other, and when appreciative attitudes can be generated towards both the decisions behind the earlier exit situation, and the behaviour of the party responsible for it. Another issue is that apologies need to be accepted so as not to derail the return process (De Cremer et al., 2010). Behind this, the reasons for the earlier imbalance can carry their effects on the re-encounter (Vaaland and Håkansson, 2003), as the parties likely evaluate the likelihood of new problems (Tomlinson et al., 2004).

Besides these aspects, the final outcomes seem to depend on time and the factors that accommodate the re-encounter. The more time passes, the more is forgotten (Gidhagen and Havila, 2014), which can be a good thing if the exit situation has been controversial. With a short time-span, conflicts are more likely to lead to retaliation or refraining from collaboration. On the other hand, it needs to be acknowledged that if the original problem is merely forgotten, new imbalance may lie ahead. In fact, the factors that accommodate re-encounters address this issue: if mechanisms are introduced that generate changes in the actors, the re-encounter can take different form than the earlier exit situation would otherwise suggest. For example, changing a board or contact persons in organizational interfaces is, together with letting time pass, an aspect that may facilitate more positive forms of re-encounters. From this basis, it may be possible to rebuild the relationships.

4.2 Implications for practice

The analysis of exit situations and processes after that provide some helpful advice to both individuals and organizations that are going through exit situations themselves or that are overseeing some other actor exiting from their organization or network. For instance, the insights in this study could be useful for individual employees changing jobs, as well as firm managers handling dismissals, or making decisions and guiding contact persons in collaborations. While bridges are sometimes inevitably burned, and while there are situations where there are no radical outcomes following from this, the networked innovation environment inherently means that different actors need to pay attention to their actions. One’s competence can become decisive regarding whether or not the actors will share the operations environment or whether collaboration restarts – meaning that it pays off to build capabilities – but the tone of coexistence and new collaboration is very likely influenced by the earlier contacts and, in particular, partings. Therefore, managers should pay attention to relationship and reputation management even when it seems that the collaboration has come to an end.
4.3 Future research directions

While our study categorizes some exit situations and re-encounters, there still is a lot of room for further research. Our study offers an overview, and the analysis can be deepened in many areas. For example, like specific types of contestants can be found in the “Survivor” (as, e.g., the seasons with heroes and villains competing suggest), we believe that it would be possible to identify “archetypes of actors/survivors” based on the strategies that individuals and organizations adopt, and then evaluate the most likely outcomes of each strategy. This may allow finding the decisive factors that ensure continuation in the innovation networks. Another issue is that those who have examined the “Survivor” more closely have found that the rules of the game have changed as the participants have learned more on the game and the strategies (Dilks et al., 2010; Wolgast et al., 2013). We believe that the same happens in innovating entities. Therefore, one interesting avenue for future research might be to see how the processes of surviving change as the participants become more aware of the prevailing dynamism and potential imbalance. Finally, future research could address how to actors can manage different types of exit situations, in order to make sure the value capture of all actors will be ensured (an issue often discussed in coopetition research, e.g. Ritala and Tidström, 2014), and that potential for new round of collaborative value creation can be preserved.

Acknowledgements

We would like to thank Anna Heikkurinen for her help in searching for articles needed to construct the illustrative cases.

References

Bayer, R. (2000), Termination with Dignity, Business Horizons, September–October


Keyton, J. (1993), Group termination. Completing the study of group development, Small Group Research, 24, 1, 84-100.


