



THE HENRY CROWN INSTITUTE OF BUSINESS RESEARCH IN ISRAEL

RESEARCH CATALOG

PUBLICATIONS
(Including Abstracts)

January-December 2016

IBRI Publications Series

- Finance and Accounting
- General and International Management
- Managerial Economics
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- Organizational Behavior and Human Resources
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- Management of Technology and Information
- Healthcare Management

Series includes working papers and reprints.

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HC-IBRI SERIES IN FINANCE AND ACCOUNTING

WORKING PAPERS

15/2016 P. Kumar, N. Langberg, J. Oded and K Sivaramakrishnan
Voluntary disclosure and strategic stock repurchases, 54 pp.

We study the choice of disclosure and share repurchase strategies of informed managers using a model that captures how they differentially impact short and long-term stock value. We identify a partial disclosure equilibrium in which firms in the lowest value region neither disclose nor repurchase, firms with intermediate values disclose but do not repurchase, and firms in the highest value region induce undervaluation by not disclosing and buy back shares. In particular, the well known unraveling result when the manager is always informed (and when disclosure is costless)—the typical upper-tailed disclosure region in classic voluntary disclosure models— need not obtain when informed managers can use repurchases to extract information rents. We offer a new perspective on open-market share repurchases—the most common form of share repurchases— when chosen optimally with disclosure. Our analysis indicates that the equilibrium disclosure region shrinks as the firm's stock trading liquidity increases.

14/2016 E. Amir, S. Levi and R. Zuckerman
The differential information precision of positive and negative daily stock returns, 40 pp.

We show that positive daily stock returns contain, on average, more precise information on the long-term changes in share prices than negative daily stock returns. Equivalently, days with negative stock returns are more prone to subsequent reversals than days with positive stock returns. This difference in information precision between negative and positive daily returns is larger on non-news days, and decreases significantly on earnings news days. We argue and show that an asymmetric leakage of positive and negative information from firms during the quarter is driving the phenomenon. Specifically, the information precision of positive returns on non-news days has decreased since Regulation Fair Disclosure disallowed selective disclosure, whereas the precision of negative returns has not diminished. Our findings suggest that when managers withhold bad news, investors do not independently acquire and incorporate into prices information that mitigates the lower precision of negative information released by firms.

12/2016 D. Ben-Shahar and R. Golan
Improved information shock and price dispersion: A natural experiment in the housing market, 41 pp.

This research employs data from a natural experiment to assess the effect of improved price information shock on subsequent real estate transaction price dispersion. While transaction data in the Israeli real estate market had never been open to the public, in 2010 an Israeli court ordered the Israel Tax Authority to post all real estate transaction data on its website. We employ all housing transactions in the period prior and subsequent to this event to assess its effect on housing price dispersion. Results provide strong evidence of improved market efficiency as indicated by a significant decrease in the dispersion of quality-adjusted prices. We further find evidence that the information shock effect on price dispersion varies with household characteristics in the market. Our findings support the market transparency argument for promoting economic efficiency and equity.

8/2016 E. Amir and S. Levi
The precision of information in stock prices, and its relation to disclosure, liquidity, and cost of equity, 48 pp.

We estimate the precision of information embedded in daily returns on the change in firm value, and examine its relation to disclosure, liquidity, and the cost of equity. We find public disclosure increases the precision of information in returns. Liquidity also increases precision, and an exogenous increase in liquidity after inclusion of a stock in major indexes increases the precision of information in its returns. An expected consequence of higher information precision is lower cost of equity, and we find that an increase in the precision of the information in prices is associated with a decrease in cost of equity.

7/2016 S. Frenkel
Dynamic asset sales with a feedback effect, 50 pp.

I analyze a dynamic model of over-the-counter asset sales in which a manager receives stock-sensitive compensation and a transaction conveys information about the firm's value. I examine how market response to an asset sale feeds back to the manager's decision on the timing and the price of the sale, and analyze the unique pattern of stock prices before and after the sale. The implications of bargaining power, inventories, gains from trade, and the introduction of a vesting period are discussed. The model sheds light on observed properties of corporate sell-offs, as well as explaining market dry-ups during downturn periods.

REPRINTS

- 316 Y. Arbel, D. Ben-Shahar and S. Gabriel
Are the disabled less loss averse? Evidence from a natural policy
experiment, *Economic Inquiry*, 54(2), 1291-1318, April 2016.

Research findings show that disabled persons often develop physical and psychological mechanisms to compensate for disabilities. Coping mechanisms may not be limited to the psychophysiological domain and may extend to cognitive bias and loss aversion. In this study, we apply unique microdata from a natural policy experiment to assess the role of loss aversion in home purchase among nondisabled and disabled households. Results of survival analysis indicate that the physically disabled are substantially less loss averse in home purchase. Furthermore, loss aversion varies with other population characteristics and attenuates with degree of disability. Findings provide new evidence of diminished cognitive bias and more rational economic decision-making among the physically disabled. (JEL D03, C9, R38)

REPRINTS

- 318 Y. Ma'ayan and A. Carmeli
Internal audits as a source of ethical behavior, efficiency, and effectiveness in work units, *Journal of Business Ethics*, 137(2), 347-363, 2016.

This study of internal auditors and auditees, who engage in both financial and operational internal audits in Israel, extends theory and research on internal audits in organizational units. It develops and tests a model that examines the role of top management and internal auditors in facilitating learning from internal audits and driving perceived performance improvement. We argue that support from the top management for the internal audit as well as the auditor's capacity (skills, resources, and behaviors) facilitate learning from audits and help audited units to improve ethicality, efficiency, and effectiveness in organizations. The results of time-lagged survey data provide general support for the hypothesized indirect relationships between auditor capacity, auditor–auditee relational exchanges, learning from audits, and three different perceived performance measures: ethical behavior, efficiency, and effectiveness. We discuss the implications for research on internal audits, proactive learning, ethics, and performance improvement of organizational units in the public sector.

HC-IBRI SERIES IN MANAGERIAL ECONOMICS

WORKING PAPERS

18/2016 M. P. Schinkel and Y. Spiegel
Can collusion promote sustainable consumption and production?
Forthcoming in *International Journal of Industrial Organization*, 28 pp.

Several competition authorities consider the exemption of horizontal agreements among firms from antitrust liability if the agreements sufficiently promote public interest objectives such as sustainable consumption and production. We show that when consumers value sustainable products and firms choose investments in sustainability before choosing output or prices, coordination of output choices or prices boosts investments in sustainability and may even enhance consumer surplus when products are sufficiently close substitutes and the marginal cost of investment in sustainability is relatively low. By contrast, coordination of investments in sustainability leads to lower investments and harms consumers.

9/2016 D. Gilo and Y. Yehezkel
Dynamic vertical collusion, 45 pp.

We show that when retailers and their supplier all care about future profits, dynamic collusion involving all of them is easier to sustain than collusion among retailers. This is so even when the supplier is as impatient as retailers are and even though vertical contracts are assumed to be secret. We also find that the more the retailers and the supplier care about future profits, retailers obtain a higher share of the monopoly profits. Furthermore, vertical collusion can enable the supplier to collect a higher wholesale price and make higher profits even when retailers have the bargaining power. Sustaining collusion requires retailers to commit to deal exclusively with the joint supplier and to charge slotting allowances.

5/2016 D. Samet
Is common knowledge of rationality sluggish?, 9 pp.

The iterative elimination of strongly dominated strategies can be justified by common knowledge of rationality. Rationality in this context means that players do not play strategies which are strongly dominated in a game they know they play. Each iteration of elimination of strongly dominated strategies seems to correspond to an iteration of mutual knowledge, that is, an iteration of “all know that...”.

However, this correspondence disappears when we consider games in which the order of elimination goes beyond the first limit ordinal. We show that the fixed point definition of common knowledge is the right concept in this case.

HC-IBRI SERIES IN MARKETING

WORKING PAPERS

- 19/2016 S. Danziger
Perceived control, the promise of information, and investment decisions. Forthcoming in *Journal of Marketing Research*, 54 pp.

Individual participation rates in the stock market are low despite impressive historical returns. The authors propose individuals often do not invest in the stock market, or they rely on professional money managers to invest, because of low-control perceptions that increase their reluctance to make active investment decisions. Building on literature showing information can boost self-efficacy, three studies demonstrate that providing low-perceived-control individuals an investment platform that promises easy access to investment information increases their efficacy-investment beliefs and consequently their willingness to use self-managed investment strategies with low portfolio turnover. These strategies yield, on average, better long-term returns than the alternatives of turning to money managers or not investing. By contrast, emphasizing that the investment platform enables easy trading does not increase these individuals' willingness to self-invest, because trading clashes with their tendency to avoid active decision-making. Finally, the authors show individuals with low-control perceptions must perceive the provided information as easy to understand in order for it to increase their willingness to self-invest. Implications for the societal problem of individuals' insufficient saving are discussed.

- 17/2016 Y. Shani
When sharing is not caring: Does (un)certainly about bill payment method lead diners to consume more and spend more money? Forthcoming in *Journal of Behavioral Decision Making*, 10 pp.

Previous work has demonstrated that unacquainted participants in an experimental, restaurant-like setting consume more when they know in advance that the bill will be split evenly rather than paid according to individual consumption. Real life, however, often differs from these experimental settings in two important ways. First, unlike random groups of participants, diners who eat together are frequently friends or colleagues. Second, payment method (even vs. individual payment) is usually unknown (i.e. uncertain) at the time people place their orders and is determined when the check arrives. The current research tests the ecological validity of the association between consumption amount and payment method. Study 1 was conducted in a natural setting with organic groups of diners. Some were asked to state their desired payment method before ordering (Certain condition); others did so only after asking for the check (Uncertain condition). In both conditions,

even payment (as opposed to individual payment) was associated with greater consumption amount. However, overall consumption amount was lower among diners in the Uncertain condition than among those in the Certain condition. Study 2 presents a controlled follow-up experiment showing that eliminating diners' prior expectations regarding the payment method—by informing them that the payment method will be randomly determined after the consumption decision—eliminates the relationship between payment method and consumption amount. This study further indicates that when diners are uncertain what the payment method will be even bill-splitting has negative implications for their subsequent social interactions expressed in retribution tendencies.

3/2016

T. Sela and D.J. Levy

From perceptual bias to choice bias: Global precedence sensitivity predicts loss aversion, 31 pp.

A key tenet of psychological and economic models of choice is to explain and account for choice biases and the idiosyncratic preferences of individuals. Previous studies demonstrated that psychological constructs such as emotion and attention are important factors that mediate choice biases. However, it is not clear whether susceptibility to *perceptual* biases is linked with choice biases. In the current study we examined the relation between visual percepts and risk preferences in general, and loss aversion in particular. We show that manipulating visual perception via global/local presentations can influence value-based choices. Specifically, using hierarchical stimuli as a mixed gamble (large numbers composed of small numbers), we found that when monetary losses appear at the global level of the stimuli, subjects exhibit loss-aversion behavior, but when monetary gains appear at the global level of the stimuli, subjects do not exhibit loss-aversion. More importantly, we show that across subjects variability in perceptual sensitivity is correlated with variability in choice bias. That is, the individual's tendency to focus on the whole or its parts is related to the extent of loss aversion of that same individual. These results emphasize the notion that perceptual trait-like biases are directly linked to choice biases and can be used to better understand individuals' risk preferences and the emergence of loss aversion. These findings have implications for the conceptualizations of value representation and risk perception, and highlight the importance of integrating cognitive constructs such as perceptual sensitivity into normative models of choice.

2/2016

D.J. Levy

Does the sensory modality affect neural value representations?, 2 pp.

In the current experiment we aimed to examine whether and how the way value is perceived influences the decision-making process. In

brief, the experiment used tools from behavioral economics to estimate subjects' risk preferences, and measure behavioral and neural differences in these preferences across two modalities of sensory presentation—visual and auditory.

HC-IBRI SERIES IN OPERATIONS STRATEGY AND SUSTAINABILITY MANAGEMENT

WORKING PAPERS

1/2016/R S. Anily and M. Haviv
Line balancing in parallel M/M/1 lines and loss systems as cooperative games, 30 pp.

We consider production and service systems that consist of parallel lines of two types: (i) $M=M=1$ lines and (ii) lines that have no buffers (loss systems). Each line is assumed to be controlled by a dedicated supervisor. The management measures the effectiveness of the supervisors by the long run expected cost of their line. Unbalanced lines cause congestion and bottlenecks, large variation in output, unnecessary wastes and, ultimately, high operating costs. Thus, the supervisors are expected to join forces and reduce the cost of the whole system by applying line-balancing techniques, possibly combined with either strategic outsourcing or capacity reduction practices. By solving appropriate mathematical programming formulations, the policy that minimizes the long run expected cost of each of the parallel-lines system, is identified. The next question to be asked is how to allocate the new total cost of each system among the lines' supervisors so that the cooperation's stability is preserved. For that sake we associate a cooperative game to each system and we investigate its core. We show that the cooperative games are reducible to market games and therefore they are totally balanced, i.e., their core and the core of their subgames are non-empty. For each game a core cost allocation based on competitive equilibrium prices is identified.

**HC-IBRI SERIES IN ORGANIZATIONAL BEHAVIOR
AND HUMAN RESOURCES**

WORKING PAPERS

- 20/2016 E. Stephan, D. Shidlovski and D. Heller
Distant determination and near determinism: The role of temporal distance in prospective attributions to will. Forthcoming in *Journal of Experimental Social Psychology*, 113-121, 2017;
<http://dx.doi.org/10.1016/j.jesp.2016.06.006> , 10 pp.
- People hold different beliefs about the causal role of will in shaping future life outcomes. We examine how temporal distance from a predicted event influences such beliefs, or attributions to will. Laypersons conceptualize will as acting according to one's goals, being free from constraints. We reasoned that construal of a future event or action in terms of individual's superordinate goals (rather than in terms of concrete aspects of the situation) would be associated with enhanced attributions to will. Drawing from Construal Level Theory, we proposed that predictions about temporally distant events rely more on high-level aspects (e.g., superordinate goals) than low-level aspects (e.g., contextual factors) and thus will result in greater attributions to will compared to predictions about near events. We show that an increase in temporal distance enhances beliefs in the causal impact of will in shaping outcomes of the self (Study 1) and others (Study 3). We also show that the individual tendency to construe actions in terms of goals (as assessed by the Behavior Identification Form) is associated with greater attributions to will (Study 2). We conclude that construal of an event in terms of superordinate goals (due to the manipulation of psychological distance or to individual differences) enhances attributions to will.
- 16/2016 L. Eldor, I. Harpaz and M. Westman
The work/nonwork spillover: The enrichment role of work engagement. Forthcoming in *Journal of Leadership & Organizational Studies*, 14 pp.
- This study examines whether work engagement enriches employees beyond the contribution of the domain of work, focusing on satisfaction with life and community involvement. Moreover, the ambivalence of scholars about the added value of the work engagement concept compared with similar work-related attitudes prompted us to assess the benefits that work engagement offers with regard to improving one's satisfaction with life and community involvement compared with the benefits of other, similar work-related attitudes such as job involvement and job satisfaction. Furthermore, given the studies indicating the impact of sector of employment (public vs. business) on

understanding the work/nonwork nexus, the current study also investigates the effect of the sector of employment on this enrichment process. Utilizing multilevel modeling analysis techniques on data from 554 employees in public and business sector organizations, we obtained results consistent with our hypotheses. Work engagement and employees' outcomes beyond work had positive and significant relationships. Moreover, the relationship between work engagement and community involvement was stronger in public sector employees than in business sector employees. The implications for organizational theory, research, and practice are discussed as possible leverage points for creating conditions that promote engagement at work and beyond.

11/2016

Y. Fried and Y. Ganzach

The effect of employee intelligence on job modification: A longitudinal exploratory analysis, 15 pp.

The study examined in a large and diverse sample the effect of individual intelligence on changes in reported job characteristics over a three year time period. The results supported our hypothesis, indicating that intelligence is positively related to modification of job characteristics over time, such as that the higher the job incumbent's intelligence, the greater the degree of job modification toward increased job complexity. The contribution and implications of the results are discussed.

10/2016

Y. Ganzach

On the Spearman's hypothesis and the relationship between the complexity of mental-ability tests and General Mental Ability, 18 pp.

In a classic paper in intelligence research, Jensen and Figueroa (1975) examined differences between Digit Span Forward (DSF), Digit Span Backward (DSB), both between groups and between individuals within groups. This paper was the basis for the later development of the Spearman's hypothesis, which states that the stronger the association between General Mental Ability (GMA) and a test, the larger the between-groups differences in test scores. In the current study we re-examine Jensen and Figueroa's results on the basis of a large, nationally representative database. One of our results replicates the earlier results of Jensen and Figueroa: Consistent with Spearman's hypothesis, we find that the difference between Blacks and Whites is larger in DSB than in DSF. However, in contrast to the Spearman hypothesis, we find that the Hispanic-White difference is larger in DSF than in DSB. In addition, in contrast to Jensen and Figueroa (1975), we find that within groups proxies of GMA tend to be more strongly associated with DSF than DSB.

S. Toker and N. Bar Hillel

Managers' and employees' perceptions of work-life balance, 60 pp. (in Hebrew)

Understanding the host of factors that affect the behavior of their employees is of great importance to organizations if they are to derive the best out of them. One of these factors is the employees' expectations concerning their work-life balance (WLB). The main purpose of the present study is to fill the gap in the literature on the role of various expectations of managers and employees concerning the practices that organizations institute and the actions they take to ensure the work-life balance. In this study, we re-examined the term work-life balance, using a qualitative method that focuses on the perspective of the respondents. We conducted 46 pairs of structured interviews of employees and their direct supervisors designed to examine the personal expectations of the employees and the supervisors from their organization, as well as their perceptions concerning the organizational messages and practices. Analysis of the interviews elicited five main themes characterizing the concept of work-life balance: time dedicated to leisure activities; respect for the personal time of the employee; balance between home hours and work hours; time spent with family; and flexibility in the choice of the place in which the work is performed. Furthermore, over half of the employees and supervisors expected the organization to enable them to create a work-life balance. The employees and supervisors also expressed the need for leisure time for hobbies and expected to have time for their families during the working week too. The main difference between the expectations of the employees and those of the supervisors is that the employees want the work hours set in the contract to be identical to the work hours in practice and are not interested in overtime pay or staying at work when it is not necessary for them to do so, while the supervisors do not accept this expectation. Moreover, the study shows that the organizational practices that are intended to enable a work-life balance are not the same for employees and supervisors. It shows the importance of adapting the organizational practices concerning work-life balance to the employee types and in particular to ensure that they all connect easily and clearly with each other. They are after all a strategic asset to the organization in today's competitive business environment.

REPRINTS

- 321 B.Q. Ford, J.O. Dmitrieva, D. Heller, Y. Chentsova-Dutton, I. Grossmann, M. Tamir, Y. Uchida, B. Koopmann-Holm, V.A. Floerke, M. Uhrig, T. Bokhan and I.B. Mauss

Culture shapes whether the pursuit of happiness predicts higher or lower well-being, *Journal of Experimental Psychology: General*, 144(6), 1053-1062, 2015

Pursuing happiness can paradoxically impair well-being. Here, the authors propose the potential downsides to pursuing happiness may be specific to individualistic cultures. In collectivistic (vs. individualistic) cultures, pursuing happiness may be more successful because happiness is viewed—and thus pursued—in relatively socially engaged ways. In 4 geographical regions that vary in level of collectivism (United States, Germany, Russia, East Asia), we assessed participants' well-being, motivation to pursue happiness, and to what extent they pursued happiness in socially engaged ways. Motivation to pursue happiness predicted lower well-being in the United States, did not predict well-being in Germany, and predicted higher well-being in Russia and in East Asia. These cultural differences in the link between motivation to pursue happiness and well-being were explained by cultural differences in the socially engaged pursuit of happiness. These findings suggest that culture shapes whether the pursuit of happiness is linked with better or worse well-being, perhaps via how people pursue happiness.

- 320 J. Schaubroeck, A. Carmeli, S. Bhatia and E. Paz

Enabling team learning when members are prone to contentious communication: The role of team leader coaching, *Human Relations*, 69(8) 1709-1727, 2016

Members of teams are often prone to interpersonal communication patterns that can undermine the team's capacity to engage in self-learning processes that are critical to team adaptation and performance improvement. We argue that team leader coaching behaviors are critical to ensuring that team discussions that may foster learning new teamwork skills and strategies are unfettered by the tendency of two or more members to exhibit contentious interpersonal communications. We accordingly test a model in which team contentious communication moderates the mediated relationship of team leader coaching behaviors on team innovation effectiveness and team task performance. In a study of 82 work teams, team leader coaching behaviors exhibited indirect, positive relationships with both team innovation effectiveness and team task performance through team learning, but only among teams with an average or higher level of contentious interpersonal communication. We discuss theoretical and practical implications for the leadership of teams.

W. Lin, L. Wang, P.A. Bamberger, Q. Zhang, H. Wang, W. Guo, J. Shi and T. Zhang

Leading future orientations for current effectiveness: The role of engagement and supervisor coaching in linking future work self salience to job performance, *Journal of Vocational Behavior*, 92, 145-156, 2016.

Recent research suggests that the salience of a future work self has a considerable impact on future-oriented activities such as skill development, career planning, career networking, and job searching. However, little is known as to whether, how, and under what conditions a more salient future work self may influence concomitant work outcomes such as job performance. Drawing on self-regulation theory, we argue that future work self salience (FWSS) affects job performance via its influence on engagement, with this influence amplified as a function of supervisor coaching. Using multi-source and lagged data collected from employees ($N = 441$), their direct supervisors ($N = 98$), and archival records in an insurance company, we found that engagement mediated the relationships between FWSS and both supervisor-rated and archival sales performance. Furthermore, the relationships FWSS has with employee engagement and sales performance, as well as the indirect effects of FWSS on two performance indicators, were stronger for employees exposed to higher levels of supervisor coaching.

**HC-IBRI SERIES IN STRATEGY, INNOVATION
AND ENTREPRENEURSHIP**

WORKING PAPERS

- 319 J. P. Stephens and A. Carmeli
The positive effect of expressing negative emotions on knowledge creation capability and performance of project teams, *International Journal of Project Management*, 34, 862-873, 2016

Organizations are built around teams as a way to better manage complex work, such as technological projects. However, complex teamwork presents challenges that can often generate positive and negative emotions, as well as demand efforts to generate new knowledge. We examine whether and how the capacity of technological product development teams to constructively express negative emotions facilitates knowledge creation capabilities and thereby enhances project outcomes. Results indicate that with greater capacity for constructively expressing negative emotions, teams enhance their capability to access crucial knowledge and exchange and integrate that knowledge in ways that enhance both project performance outcomes and project budget adherence. In so doing, we hope to open up new avenues for research on how expressing negative emotions in project teams can help in building knowledge creation capabilities and drive multiple performance outcomes.

- 315 A. Carmeli, C.D. Jones and G. Binyamin
The power of caring and generativity in building strategic adaptability, *Journal of Occupational and Organizational Psychology*, 89, 46-72, 2016.

In this study, we integrate relational theory and the upper echelon perspective to explore how and why caring and generative relationships in top management teams (TMTs) can be a source for building strategic adaptability. We argue that when TMT members care for each other's inner needs, a generative psychological space (which allows members to experience positivity and produce enduring transformative outcomes) is nurtured. This generative psychological space, in turn, helps to build a capacity to respond proactively to the external environment and adapt well to environmental jolts. The results lend support to our hypothesized model in which caring among TMT members nurtures generativity, which in turn enhances strategic adaptability. In so doing, we aim to further cultivate discussion on the micro-foundations of strategic management in general and increase

interest in the micro-relational foundations of strategic capabilities in particular.

HC-IBRI SERIES IN MANAGEMENT OF TECHNOLOGY AND INFORMATION

WORKING PAPERS

13/2016 Y. Inbar and O. Barzilay
Community impact on crowdfunding performance, 43 pp.

Many digital platforms, regardless of their business domain, follow the common practice of incorporating social and community features in order to increase their user engagement and expand their online community. Although this practice is advocated by the literature and clearly makes sense, its implications are not well understood. In this research, we aimed to close this literature gap, providing a theoretical framework and empirical evidence regarding the impact of the online community on platform performance. As a testbed, we studied *crowdfunding platforms*, that is, designated websites aimed at enabling entrepreneurs to raise money over the Internet. We used comprehensive data collected from Kickstarter, the largest crowdfunding platform established to date. We theorized that online platforms, such as Kickstarter, consist not of a single community but rather a hierarchy of multiple, partially competing communities. These communities vary considerably with respect to the interests of their members, their platform participation patterns, and their impact on platform performance. Our suggested framework incorporates the notion of *fluidity* of online communities; that is, online users and digital communities evolve and change over time. As the interests of the online user change, so does the membership of her immediate community. The proposed framework allows us to identify such community changes and, consequently, to better identify pivotal members of online communities and predict their lifetime value as potential backers. Empirically, we validated our theory by studying the participation patterns of over 6.3 million Kickstarter users, who have supported more than 150 thousand crowdfunding campaigns over more than 5 years. We demonstrated the growth of the different community types and estimated their different impacts on crowdfunding performance over time. Interestingly, we found that some communities, despite high participation rates, had negative impacts on crowdfunding campaign success. We discuss managerial and practical implications of our theory and findings.

4/2016 H. Geva, G. Oestreicher-Singer and M. Saar-Tsechansky
Using retweets to shape our online persona: A topic modeling approach, 53 pp.

Online social networking technologies have given rise to new social behaviors, with the like on Facebook being a prominent example. We

study a specific type of social behavior: the ability to reiterate a friend's activity, that is, to redistribute an exact copy of content that he or she has posted online (e.g., words, videos, or pictures). Such reiteration tools enable the user to leverage someone else's self-expression to enhance his or her own image as reflected by the online platform. We focus on the effects of such reiteration tools on the way users present themselves online. Specifically, using data from Twitter we ask: (1) Do users utilize retweets to expand the breadth of topics they discuss, by adding topics not discussed in their self-tweets, or do they use it to enhance their self-produced persona, adding further content relating to the topics they already discuss in their self-tweets? (2) Do users utilize the retweet option to change the distribution of the topics they discuss in their self-tweets? (3) Do those behaviors differ between expert users and non-expert users? We analyzed data taken from Twitter over a period of 3 weeks in 2015, with regard to 2,435 non-expert core users (defined as users who tweet regularly and are likely to use the platform for personal rather than professional purposes), 415 expert users and the users whom they followed. We use LDA topic modeling to derive the topics in both self-tweets and retweets of each user. We find that users rarely add new topics to their profile when retweeting; instead, they enrich their persona by deepening the discussion of topics that they address in their self-tweets. Furthermore, we find that a user's retweets do remarkably little to alter the distribution of topics she discusses in her self-tweets. Finally, we find that both non-expert and expert users tend to add few new topics via retweets, and that this tendency is stronger among expert users. Specifically, on average, experts retweet less often and add fewer topics per tweet, indicating that they rely more on their own words when engaging in impression management.

REPRINTS

322

E. Brynjolfsson, T. Geva and S. Reichman

Crowd-squared: amplifying the predictive power of search trend data, *MIS Quarterly*, 40(4), 941-961, 2016

Big data generated by crowds provides a myriad of opportunities for monitoring and modeling people's intentions, preferences, and opinions. A crucial step in analyzing such big data is selecting the relevant part of the data that should be provided as input to the modeling process. In this paper, we offer a novel, structured, crowd-based method to address the data selection problem in a widely used and challenging context: selecting search trend data. We label the method "crowd-squared," as it leverages crowds to identify the most relevant terms in search volume data that were generated by a larger crowd. We empirically test this method in two domains and find that our method yields predictions that are equivalent or superior to those obtained in previous studies (using alternative data selection methods) and to predictions obtained using various benchmark data selection

methods. These results emphasize the importance of a structured data selection method in the prediction process, and demonstrate the utility of the crowd-squared approach for addressing this problem in the context of prediction using search trend data.

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Prof. Joseph Gross	Prof. Emeritus, Coller School of Management and Faculty of Law, Tel Aviv University
Prof. Joseph Klafter	President, Tel Aviv University
Mr. Boaz Leibovitch	Director, Business Division, Mizrahi Tefahot Bank Ltd.
Prof. Yair E. Orgler	Prof. Emeritus, Coller School of Management, Tel Aviv University
Prof. Yaron Oz	Rector, Tel Aviv University
Dr. Yuval Rabinovitch	Bank Leumi Le-Israel Ltd.
Mr. Leon Recanati	CEO, GlenRock Israel Ltd.
Prof. Orly Yeheskel	Associate Dean for Academic Affairs, Coller School of Management, Tel Aviv University
Representative not yet appointed	The First International Bank of Israel