The influence and role of social capital in managing technological change in industry contexts

Lina Marcela Landinez Gomez

September, 2017

Thesis submitted for the degree of

Doctor of Philosophy

to the Business School of

The University of Adelaide



TABLE OF CONTENTS

List of	figure	s	8
List of	tables	S	10
List of	acron	yms	11
Abstra	ct		13
Declara	ation .		15
Acknow	wledg	ements	17
1. Intro	ductio	on	1
1.1.	Back	kground and focus of the research	1
1.2.	Con	ceptual framework	3
1.2	2.1.	Technological change	3
1.2	2.2.	Social capital	5
1.3.	Iden	tifying the research question	6
1.4.	Cont	text of research: Clean technology	9
1.4	.1.	Definition and understandings of clean technology	10
1.4	.2.	Analysis of the clean technology industry context	12
1.4	.3.	Clean technology in Australia	15
1.5.	Meth	nodological approach	17
1.6.	Sign	ificance and contribution	18
1.7.	Stru	cture of the thesis	19
2. Liter	ature	Review: Technological change and social capital	21
2.1.	Intro	duction	21
2.2.	Tech	nnological change	22
2.2	2.1.	Evolutionary perspective of technological change	22
2.2	2.2.	Socio-technical perspective of technological change	26
2.2	2.3.	Summary	27
2.3.	Soci	al capital	29
2.3	3.1.	Multifaceted social capital	30
2	2.3.1.1	. Resource or conduit	31
2	2.3.1.2	Attribute or function	33
2	2.3.1.3	Outcomes or value	34
2	2.3.1.4	Levels or types	35

	2.3.2.	App	proaches to social capital	36
	2.3.	2.1.	Content perspective	36
	2.3.	2.2.	Process perspective	38
	2.3.3.	Sur	nmary	39
	2.4. S	ocial c	apital and technological change	40
	2.4.1.	Org	anisational context	41
	2.4.2.	Inst	itutional context	42
	2.4.3.	Soc	cial processes	43
	2.4.4.	Indi	ustry mechanism	45
	2.4.5.	Sur	nmary	46
	2.5. C	onnect	ting the literature review to the research question	47
	2.5.1.	Cor	ntextual aspects	49
	2.5.2.	Tec	chnological aspects	50
	2.5.3.	Rel	ational aspects	51
	2.6. S	umma	ry	53
3	. Researd	ch Des	ign	55
			tion	
	3.2. R	eseard	ch framework	56
	3.3. N	ature o	of the research phenomenon	58
	3.4. R	eseard	ch paradigm	60
	3.4.1.	Phil	losophical view: Pragmatism	62
	3.4.	1.1.	Inter-subjectivity and social capital	65
	3.4.	1.2.	Reflexivity and social capital	67
	3.4.2.	Epi	stemological approach	68
	3.5. R	eseard	ch methodology and methods	70
	3.5.1.	Met	hodology	70
	3.5.2.	Met	hods for data collection	71
	3.5.	2.1.	Participant observation	71
	3.5.	2.2.	Interviews	72
	3.5.	2.3.	Participant selection	72
	3.5.	2.4.	Conducting the interview	74
	3.5.3.	Met	hods for data analysis	76
	3.5.	3.1.	Coding system	77
	3.5.	3.2.	Data divergence	78
	3.5.	3.3.	Data convergence	78
	3.5.	3.4.	Synthesis	79

3.6.	. Re	search soundness criteria	79
3	.6.1.	Credibility	79
3	.6.2.	Transferability	80
3	.6.3.	Dependability	81
3	.6.4.	Confirmability	82
3.7.	. Sui	mmary	83
4. Fin	dinas:	: Contextual, technological and relational influences on	
	•	pital	85
4.1.	-	oduction	
4.2.		ta analysis and results	
4	.2.1.	Data divergence	
4	.2.2.	•	
	4.2.2.	•	
	4.2.2.	.2. Second order codes	91
	4.2.2.	.3. Aggregate concepts	92
4	.2.3.	Data synthesis	94
4.3.	. Fin	dings	
4	.3.1.	Contextual influences	98
	4.3.1.	.1. Theme: Conflicting and competing industry context	98
	4.3	.1.1.1. Conflicting support	99
	4.3	.1.1.2. Introduced uncertainty	103
	4.3	.1.1.3. Traditional industry	107
	4.3	.1.1.4. Conclusion "Conflicting and competing industry context"	113
4	.3.2.	Technological influences	115
	4.3.2.	.1. Theme: Technological transitions	115
	4.3	.2.1.1. Technology language and narratives	116
	4.3	.2.1.2. Versatility of technology	121
	4.3	2.2.1.3. Conclusion "Technology transitions"	125
4	.3.3.	Relational influences	126
	4.3.3.	.1. Theme: Elements and influences	127
	4.3	.3.1.1. Dual trust	127
	4.3	.3.1.2. Identity	132
	4.3	.3.1.3. Worth	135
	4.3	.3.1.4. Conclusion "Elements and influences"	139
	4.3.3.	.2. Theme: Role of relations	140
	4.3	3.2.1. Transactions	141

4.3	.3.2.2. Collective value	143
4.3	.3.2.3. Spill-overs	145
4.3	.3.2.4. Conclusion "Role of relations"	147
4.3.3.	3. Theme: New organisations	148
4.3	.3.3.1. Relational interface	148
4.3	.3.3.2. Envisioning change	155
4.3	.3.3.3. Roles	162
4.3	.3.3.4. Conclusion "New organisations"	167
4.3.3.	4. Conclusion Relational Influences	168
4.3.4.	Emerging themes: temporal influences	168
4.3.4.	1. Theme: Reaching horizons	169
4.3	.4.1.1. New context	170
4.3	.4.1.2. Momentum	176
4.3	.4.1.3. Conclusion "Reaching horizons"	179
4.3.4.	2. Theme: Creating futures	179
4.3	.4.2.1. Reflection	180
4.3	.4.2.2. Anticipation	183
4.3	.4.2.3. Conclusion "Creating futures"	186
4.3.4.	3. Theme: Dealing with unknowables	186
4.3	.4.3.1. Resilience	187
4.3	.4.3.2. Serendipity	192
4.3	.4.3.3. Uncertain value of relationships	193
4.3	.4.3.4. Conclusion "Dealing with unknowables"	195
4.4. Sur	mmary	196
5. Discussion	on: The influence of social capital in technological change	199
	oduction	
5.2. Infl	uences of social capital in technological change	200
5.2.1.	Contextual influences of social capital and technological change	200
5.2.2.	Technological influences of social capital and technological chang	e202
5.2.3.	Relational influences of social capital and technological change	204
5.2.4.	Summary	207
5.3. Ter	mporal influences and perception of time	208
5.3.1.	Pragmatism and the perception of time	208
5.3.2.	Present perception of time	211
5.3.3.	Future perception of time	212
5.3.4.	Summary	213

5.4.	The rol	es of social capital in technological change	214
5.4	.1. Tra	ansactional role of social capital	216
5.4	.2. Tr	ansitional role of social capital	218
5	5.4.2.1.	Resilience	219
5	5.4.2.2.	Serendipity	221
5.5.	Model	development	223
5.6.	Summa	ary	227
6. Cond	lusion		229
6.1.	Summa	ary of the thesis	229
6.2.	Contrib	oution to theory	230
6.2	1. Co	entextuality and temporality of relationships in social capital l	iterature231
6.2	2.2. Ro	oles of social capital in technological change literature	232
6.3.	Contrib	oution to practice	234
6.4.	Limitati	ions	236
6.5.	Further	research	238
6.6.	Final re	emarks	240
Append	dices		243
Appe	ndix A: F	Participant Information Sheet	243
Appe	ndix B: C	Consent Form	246
Appe	ndix C: I	nterview guide	247
Appe	ndix D: S	Second order codes and aggregate concepts	249
7. Refe	rences		257

LIST OF FIGURES

Figure 1.1. Research question and sub-questions	9
Figure 2.1. Existing aspects of technological change in literature	48
Figure 3.1. Research framework	57
Figure 3.2. Research paradigm	61
Figure 3.3. Pragmatism cycle	64
Figure 3.4. Inter-subjectivity and reflexivity	64
Figure 3.5. Pragmatism approach to social capital	65
Figure 3.6. Coding process	77
Figure 4.1. Theme development process	86
Figure 4.2. Data divergence	86
Figure 4.3. Data convergence	88
Figure 4.4. Data synthesis	95
Figure 4.5. Diagram for theme development	96
Figure 4.6. Results of coding process	97
Figure 4.7. Theme Conflicting and competing industry context	99
Figure 4.8. Signals from the industry	99
Figure 4.9. Perception of government	104
Figure 4.10. Traditional industry	108
Figure 4.11. Theme Technological transitions	115
Figure 4.12. Purpose of technology	121
Figure 4.13. Theme Elements and influences	127
Figure 4.14. Trust	128
Figure 4.15. Theme Role of relations	140
Figure 4.16. Theme New organisations	148
Figure 4.17 Poles of actors	163

Figure 4.18. Theme Reaching horizons1	170
Figure 4.19. New context1	170
Figure 4.20. Theme Creating futures1	180
Figure 4.21. Theme Dealing with unknowables1	187
Figure 5.1. Contextual influences	202
Figure 5.2. Technological influences	204
Figure 5.3. Relational influences	206
Figure 5.4. Overview of contextual, technological and relational influences	207
Figure 5.5. Pragmatist view of social capital2	209
Figure 5.6. Temporal influences	211
Figure 5.7. Overview of contextual, technological, relational and temporal influences. 2	214
Figure 5.8. Pragmatism and the role of social capital2	215
Figure 5.9. Roles and influences of social capital2	215
Figure 5.10. Holistic model of social capital and technological change2	223

LIST OF TABLES

Table 3.1. Events attended for participant observation	71
Table 3.2. Types of participants	73
Table 3.3. First round of interviews conducted	74
Table 3.4. Second round of interviews conducted	74
Table 3.5. Third round of interviews conducted	75
Table 4.1. Coding units and verbatim	87
Table 4.2. Example of first order codes	89
Table 4.3. Example of second order codes	92
Table 4.4. Example of aggregate concepts	93
Table 4.5. Aggregate concepts	94
Table 4.6. Themes developed	96
Table 4.7. Research questions and findings	98
Table 4.8. Summary of themes	196
Table 5.1. Influence of social capital in technological change	200

LIST OF ACRONYMS

ACN Adelaide CleanTech Network

ACT Australian Capital Territory

ARC Australian Research Council

ASBEC Australian Sustainable Built Environment Council

CEO Chief Executive Officer

CFO Chief Financial Officer

CLT Cross Laminated Timber

CRC Cooperative Research Centres

R&D Research & Development

RBV Resource-based View

SME Small and Medium-sized Enterprise

US United States

VC Venture Capital



ABSTRACT

Technological change has been at the centre of economic and industry development debate over many years. Despite the recognised importance of social aspects linked to technology adoption and the transitions to new paradigms, a more detailed exploration of the role of relationships in industry contexts has received less attention.

The overall understanding emerging from the literature on technological change is that factors and social influences for technology adoption are multiple, dynamic and interdependent. Complementing this understanding, the social capital literature contends that the value of relationships in technology adoption relies on the access to and exchange of resources embedded in social structures. Extant research suggests that social phenomenon contributes to technological change, although the intricacies of its occurrence remains in a "black box".

This thesis integrates the two literature streams – technological change and social capital – with a specific focus on how industry actors engage with the complexities involved in embedding the new technology into various industry contexts. Using the pragmatist perspective, the researcher carried out explorative qualitative research based on the interrogation of actions and interactions of industry actors, and suggests an alternative view of social capital in technological change, beyond the recognised resource view.

The exploration of the social phenomena is done within the context of clean technologies in Australia. It represents a rich context due to the multiple and diverse technologies converging across different sectors and fields of knowledge, the combination of specialised intangible and tangible assets, and the specialised communities of actors. Data was collected using semi-structured and informal interviews, and participant observation, and was analysed using content analysis.

Results indicate that, by adopting a pragmatist approach to the social aspect of technology change, the role of social capital goes beyond the predominant resource-based view approach. The role of social capital has a four-fold influence: (1) on the industry context, (2) the new technology, (3) the interactions among industry actors, and (4) the perception of time. The latter is a new insight derived from this research. Bringing these influences together, results suggest the coexistence of the transactional and transitional role of social capital in technological change.

This research extends the social capital literature by suggesting that the contextuality and temporality of relationships is important. It does so by identifying the contextual, technological, relational and temporal influences and their interplay through the lens of pragmatism. The perception of time, in particular, is identified as a key element in the manageability of social capital. It also contributes to the technological change literature by proposing two roles of social capital – transactional and transitional – in the adoption of new technologies. These influences and roles are integrated in a holistic model.

Overall, the thesis is part of a growing body of research and provides significant insights into the role that the professional relationships of industry actors play in the process of new technology adoption. Social capital allows industry actors to (1) adapt to the changes posed by the contextual conditions, and (2) enables them to create new conditions to foster technological transitions.

DECLARATION

I certify that this work contains no material which has been accepted for the award of any

other degree or diploma in my name, in any university or other tertiary institution and, to

the best of my knowledge and belief, contains no material previously published or written

by another person, except where due reference has been made in the text. In addition, I

certify that no part of this work will, in the future, be used in a submission in my name, for

any other degree or diploma in any university or other tertiary institution without the prior

approval of the University of Adelaide and where applicable, any partner institution

responsible for the joint-award of this degree.

I give consent to this copy of my thesis, when deposited in the University Library, being

made available for loan and photocopying, subject to the provisions of the Copyright Act

1968.

I also give permission for the digital version of my thesis to be made available on the

web, via the University's digital research repository, the Library Search and also through

web search engines, unless permission has been granted by the University to restrict

access for a period of time.

Signed

Date: September 29, 2017

ΧV



ACKNOWLEDGEMENTS

First and foremost, I would like to express my sincere gratitude to my supervisory panel, Dr Gary Hancock, Dr Lisa Daniel and Dr Meera Verma for all the contribution and support during my PhD journey. I am also thankful for the excellent advice, patience and encouragement from my advisor Dr Barry Elsey. I also acknowledge Tina Morganella for her copy-editing support. In general, to the University of Adelaide, business School and ECIC, for the funding support.

I would especially like to thank the industry members who provided me the opportunity to explore their business experiences and stimulate valuable insights. Special thanks to John O'Brien who open the door to the industry and acted as a mentor all the way through.

I would like to acknowledge the Science to Business Marketing Research Centre for being a source of collaboration, advice and friendship. The challenging discussions and feedback have contributed to the quality of my PhD and future career path.

A special thanks to my family and friends that, even in the distance, have accompanied and sustained me in this journey. Coffees, silences, jokes, hugs, questions and other expressions of love genuinely given have always encourage me to keep going in this and next journeys to come.

The story behind the story has been always alive thanks to my partner in crime, my beloved Johannes. Your sweetness and intelligence belong to a better world so only you were able to heal me and guide me in our Aussie life. I not only thank you, I also owe you who I am, including this research. You will be always in my soul.