

**PARTNER SELECTION FOLLOWING A FAILURE**  
**(AN ANALYSIS OF TURKISH TV SERIES INDUSTRY, 2007-2016)**

by  
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## ABSTRACT

### PARTNER SELECTION FOLLOWING A FAILURE (AN ANALYSIS OF TURKISH TV SERIES INDUSTRY, 2007-2016)

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Ph.D. DISSERTATION, JULY 2020

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Keywords: *project based organizations, partner selection, organizational learning, networks, creative industries, logistic regression*

Explaining the dynamics behind creation of interpersonal networks has been the focus of attention of considerable amount of research in networks literature. Specifically, for project based organizations, this theme is especially important as these type of organizations bring together specialists with different competencies to work as a team, and partner selection is quite frequent and vital. While the project entrepreneurs decide on their partners, performance-outcome learning is one key dimension. Organizational learning literature builds on the premise that the decision maker observes outcomes, interprets them, and repeats activities that generated favorable outcomes and avoids activities with unfavorable ones. The question of under which conditions decision makers of project based organizations choose to renew their existing ties when the past relationship resulted in failure is unexplored. I investigated the direct effect of failure on the propensity to repeat collaborations also proposing moderators that either attenuate or amplify this relationship. Moderated logistic regression models are used to analyze 3,954 dyadic relationships from 495 Turkish TV series produced between 2007 and 2016. The results suggest that failure leads to lower propensity to repeat collaborations and this relationship is moderated by the depth of the relationship between project partners. The remaining moderators of market uncertainty, reputation of project partners, level of prior performance and the time passed after the most recent collaboration were not supported. I discuss the implications of this study on networks, PBOs and organizational learning literatures.

## ÖZET

### BAŞARISIZLIK SONRASI PARTNER SEÇİMİ (TÜRK TELEVİZYON DİZİSİ SEKTÖRÜNÜN ANALİZİ, 2007-2016)

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Anahtar sözcükler: *proje örgütleri, partner seçimi, örgütsel öğrenme, örgütsel ağlar, yaratıcı endüstriler, lojistik regresyon*

Kişilerarası sosyal ağların oluşumunda rol oynayan dinamikler örgütsel ağlar yazınında üzerinde bir çok çalışma yapılan bir konu olmuştur. Özellikle, farklı alanlardan birbirinden farklı yetkinliklere sahip birçok uzmanı bir araya getiren ve partner seçimi çok sık yapılan proje örgütlerinde bu konu özel önem taşımaktadır. Proje sahipleri birlikte çalışacakları kişilere karar verirken örgütsel öğrenme anahtar bir tema olarak karşımıza çıkmaktadır. Örgütsel öğrenme yazını, karar vericinin çıktılarını gözlemlemesi, yorumlaması, arzu edilen sonuçlara sebep olan aktiviteleri tekrarlaması ve istenmeyen sonuçlara yol açan aktivitelerden kaçınması üzerine kuruludur. Bununla birlikte, proje örgütlerinde karar vericilerin hangi şartlar altında istenmeyen sonuçlar elde ettikleri iş ortakları ile ilişkilerine başarısızlığa rağmen devam ettikleri konusu yeterince aydınlatılmamıştır. Bu çalışma proje örgütlerinde başarısızlığın iş ortaklığını sürdürme üzerindeki etkilerini incelemektedir. Çalışmada ayrıca bu ilişkiyi kuvvetlendiren ya da zayıflatan aracı değişkenler de önerilmektedir. 2007 ve 2016 yılları arasında çekilen 495 Türk dizisine ait 3,954 farklı ikili ilişki lojistik regresyon yöntemi ile analiz edilmiştir. Sonuçlar başarısızlığın ilişkilerin yenilenme olasılığını düşürdüğünü, ikililerin proje öncesi birlikte çalışma sıklıklarının bu ilişkiyi zayıflattığını göstermektedir. Sektörde yaşanan belirsizlik, proje çalışanlarının şöhreti, önceki ilişkilerin performansı ve en son proje üzerinden geçen süre gibi önerilen diğer aracı değişkenlerin etkisi yordanamamıştır. Sonuçlar örgütsel ağ teorisi, örgütsel öğrenme ve proje örgütleri yazınlarına etkileri göz önüne alınarak yorumlanmıştır.

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## TABLE OF CONTENTS

LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF SYMBOLS AND ABBREVIATIONS	xi
1. INTRODUCTION	12
1.1 Importance of the Study and Theoretical Rationale	13
1.2 Outline of Dissertation	14
2. THEORETICAL BACKGROUND	15
2.1 Literature Review	15
2.1.1 Setting the Stage: Project Based Organizing	16
2.1.2 Tie Formation and Renewal	19
2.1.3 Performance-Outcome Learning	23
2.1.3.1 Attribution Theory and Learning	25
2.2 Study Context	26
2.3 Exploratory Interviews	31
2.3.1 Industry Dynamics	32
2.3.2 Project Selection and Design	33
2.3.3 Performance Evaluation	34
2.3.4 Rating System	35
2.4 Research Question	36
2.5 Hypothesis Development	37
3. METHODS	46
3.1 Research Methodology	46
3.1.1 Logistic Regression Assumptions	47
3.1.2 Interpretation of Moderated Logistic Regression Results	47
3.2 Data Collection Procedure	49
3.3 Measures	52
3.3.1 Dependent Variable	52
3.3.2 Independent Variable	52
3.3.3 Moderators	53
3.3.4 Control Variables	54

4. RESULTS	55
4.1 Descriptive Statistics	55
4.2 Handling Extreme Values	57
4.3 Hypothesis Testing	61
4.3.1 Analysis Results with Full Dataset	61
4.3.2 Analysis Results with Limited Dataset	64
4.4 Alternative Operationalizations	69
4.4.1 Limiting Dyadic Relationships	69
4.4.1.1 Analysis Results with Full Dataset	70
4.4.1.2 Analysis Results with Limited Dataset	74
4.4.2 Limiting TV Channels	78
4.4.2.1 Analysis Results with Full Dataset	79
4.4.2.2 Analysis Results with Limited Dataset	82
4.4.3 Production Company Effects	87
4.4.3.1 Analysis Results with Full Dataset	89
4.4.3.2 Analysis Results with Limited Dataset	94
5. DISCUSSION	96
5.1 Relationship Between Project Failures and Repeated Partnerships	98
5.2 Moderating Effect of Uncertainty	99
5.3 Moderating Effects of Participant and Originator Reputations	100
5.4 Moderating Effect of Past Performance	102
5.5 Moderating Effect of Time	104
5.6 Moderating Effect of Relationship Depth	105
5.7 Implications of the Study	106
5.8 Limitations and Directions for Future Research	108
APPENDIX	110
BIBLIOGRAPHY	112



## LIST OF TABLES

Table 2.1	Summary of theoretical approaches to PBOs	17
Table 2.2	Themes from scholarly work on PBOs	18
Table 2.3	Classification of empirical papers on tie formation	23
Table 3.1	Members of the cast and channels for the observation period	49
Table 3.2	TV series and dyadic relationships in the observation period	51
Table 4.1	Frequency table	56
Table 4.2	Skewness and kurtosis of continuous independent variables	57
Table 4.3	Descriptive statistics	58
Table 4.4	Correlations table	59
Table 4.5	Model summary with full dataset	63
Table 4.6	Model summary with limited dataset	67
Table 4.7	Summary of findings	68
Table 4.8	Descriptive statistics (limited dyads)	70
Table 4.9	Model summary with full dataset (limited dyads)	72
Table 4.10	Model summary with limited dataset (limited dyads)	76
Table 4.11	Summary of findings (limited dyads)	77
Table 4.12	Descriptive statistics (limited channels)	78
Table 4.13	Model summary with full dataset (limited channels)	81
Table 4.14	Model summary with limited dataset (limited channels)	85
Table 4.15	Summary of findings (limited channels)	86
Table 4.16	Descriptive statistics (production company effects)	88
Table 4.17	Model summary with full dataset (production company effects)	92
Table 4.18	Summary of findings (production company effects)	95
Table 5	Overall summary of research findings	97
Table 6	Competing hypotheses	107

## LIST OF FIGURES

Figure 2.1	Literature review outline	15
Figure 2.2	Annual change in terrestrial analog broadcasting channels	28
Figure 2.3	Annual change in channels with cable and satellite licenses	28
Figure 2.4	The research model	45
Figure 3.1	Dyadic relationships	50
Figure 3.2	TV series and dyadic relationships in the observation period	51
Figure 4.1	Histograms of continuous variables	60
Figure 4.2.1	Predicted probabilities graph for H1 - full dataset	64
Figure 4.2.2	Predicted probabilities graph for H6 - full dataset	64
Figure 4.3	Predicted probabilities graph for H1 – limited dataset	68
Figure 4.4.1	Predicted probabilities graph for H1 - full dataset	73
Figure 4.4.2	Predicted probabilities graph for H3a - full dataset	73
Figure 4.5	Predicted probabilities graph for H1 - limited dataset	77
Figure 4.6	Predicted probabilities graph for H1 - full dataset	82
Figure 4.7	Predicted probabilities graph for H1 - limited dataset	86
Figure 4.8	Number of owners of production companies	87
Figure 4.9	TV series production per company	88
Figure 4.10.1	Predicted probabilities graph for H1 - full dataset	93
Figure 4.10.2	Effect of number of company owners on propensity to repeat	93
Figure 4.10.3.	Effect of company output levels on propensity to repeat	93
Figure 4.10.4.	Predicted probabilities graph for hypothesis 6 – full dataset	94

## LIST OF SYMBOLS AND ABBREVIATIONS

<b>CL</b>	Confidence Level
<b>CSP</b>	Creative Service Providers
<b>LRA</b>	Logistic Regression Analysis
<b>PBO</b>	Project-based Organizations
<b>RTÜK</b>	Radio and Television Supreme Council
<b>TCE</b>	Transaction Cost Economics
<b>TİAK</b>	TV Audience Research Company
<b>TRT</b>	Turkish Radio Television
<b>VIF</b>	Variance Inflation Factors

## 1. INTRODUCTION

*“Success is not final, failure is not fatal: it is the courage to continue that counts.”*

*Winston Churchill*

As organizations move towards more flexible, network-based forms of organizing, project ventures have been of increasing interest to strategy scholars. A project venture is defined as a temporary entity that brings together multiple participants to complete a specific task, and once the task is completed, the team disbands (Schwab & Miner, 2008). The participants are free to take part in multiple projects, and similarly, the originator may choose to carry on with multiple projects with different (or even partly common) participants. Given the fluid nature of such settings, these types of organizations have received attention not only from network scholars, but also from scholars working on organizational learning (Grabher, 2004). Research on project ventures usually include works on IPO syndicates, construction collaborations, movie and theater productions, and research teams. Those systems rest on a continuum from more centrally controlled to less controlled (more standalone) systems in terms of which projects are initiated and who joins them.

In industries where complex and non-routine tasks are involved, temporary organizations are largely preferred through project partnerships. As their structure, staffing, and capital investments are only temporary, the question of how these firms react to failure on their consequent partnership choices is an important question to answer.

## **1.1. Importance of the Study and Theoretical Rationale**

While prior alliance research has mainly focused on the consequences of continuity in partnerships, very few studies have examined under what conditions organizations engage with the same partner in the first place. For instance, Beckman et al. (2004) show that organizations are more likely to broaden their networks via exploring new ties when there is high firm-specific uncertainty, and they are more likely to reinforce their existing networks via exploitation when there is high market level uncertainty. In another study on investment bank syndicates, Baum et al. (2005) show that, when an organization's performance levels are lower than historical and social aspirations, their propensity to select nonlocal (distant) ties are higher. Lavie and Rosenkopf (2006) posit that path dependence in tie exploration and exploitation within organizations reinforce their tendencies to further explore or exploit, however, those tendencies gradually balance out over time. Finally, examining the searches on syndicate partners in venture capital investments, Sorenson and Stuart (2008) show that distant ties form more commonly in fashionable, low risk settings and also when there are larger number of members with a high density of connections to select from. These studies mainly address the question of under which circumstances organizations prefer to explore new ties or exploit their existing connections. At the same time, it is plausible that performance outcomes of completed projects provide the necessary information for identifying the fruitfulness of relationships. This information is potentially used while deciding on future collaborations. In their study of construction projects, through questionnaires, Ebers & Maurer (2016) show that learnings from prior collaborations effect expectations of future collaborations. In this research stream however, the realized effects of previous project performance on exploration / exploitation selections are underexplored. Specifically, there are no studies that directly address the question of under which conditions participants of project systems choose to renew their existing ties even though the past relationship resulted in failure. This dissertation study aims to fill in this gap by examining the choice of network partners in subsequent projects upon failure in project systems.

While it is true that a few studies consider the outcomes of poor past performance on partner selection, (Baum et al., 2005, Li & Rowley, 2002, Ebers & Maurer, 2016) the study will differ from those in the following ways. First, these studies operationalize poor

past performance by market shares, IPO demands being below aspired or historical levels or through perceived satisfaction levels of the project leader. I will be able to define a failure, not only a poor (or undesired) performance, and that definition will not rest on the perceptions of the project owners. Second, these studies only show that poor performance is likely to result in a decreased propensity to repeat ties, while I will be aiming to demonstrate that this is not always the case, and under some circumstances, those ties can be kept for future partnerships, even in the case of failure.

The study contributes to two major areas. I am aiming to advance organizational learning theory by suggesting a contingency framework of performance-outcome learning that challenges the assumption that entities observe outcomes, interpret them and avoid activities that generated negative, or unfavorable, outcomes (Cyert & March, 1963; March & Olsen, 1976). I am aiming to do that by proposing a conditional model of when and how specific contingencies will influence whether a project's participants will collaborate again in a future project venture. The second contribution I aim to make is to advance the understanding of project based organizations by highlighting the specific causal factors that effect how repeated collaborations occur in these systems.

## **1.2. Outline of the Dissertation**

I review the relevant literature in the following chapter. The same chapter presents the current theoretical arguments, proposes the research model and the hypotheses. It also includes a section on the exploratory interviews that I have conducted in the chosen industry, which apparently is the second largest in the world. The third chapter discusses the methodology of the study, data collection procedures and statistical analyses. The fourth chapter presents the empirical research findings. The fifth and final section summarizes the main findings and discusses the theoretical implications of the current study. It also discusses the limitations of the study and suggests directions for future research.

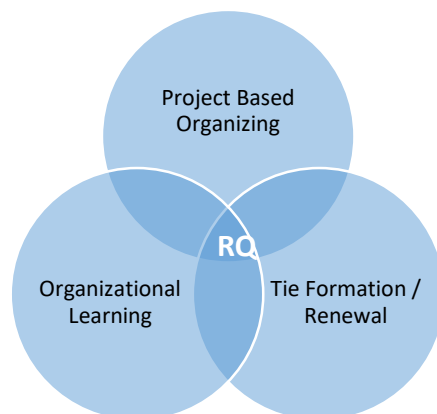
## 2. THEORETICAL BACKGROUND

I start this chapter by providing a brief summary of the relevant literature in strategy research. The chapter continues with a detailed description of the study context, the Turkish TV series industry. In the third section, the study context is also elaborated on through summaries of the interviews I have conducted with important players in the chosen industry. Fourth section sets forth the research question, and the chapter concludes with the hypotheses development.

### 2.1. Literature Review

In order to understand how project based organizations react to failure on their subsequent partnership choices and to explore the contingencies in terms of how and to what extent they influence partner selection, I have reviewed three main literatures in strategy research. Figure 2.1 illustrates where my research question fits into. In the following subsections, I will be covering the related studies over these three research streams.

Figure 2.1. Literature review outline



### **2.1.1. Setting the Stage: Project Based Organizing**

Project based organizations (PBOs), are temporary organizations where work is organized around projects and whose employees move among different institutions at different times (DeFillippi & Artur, 1998). These organizations are designed to disband following the completion of the project at hand, hence they operate within a predetermined scope. Every project is unique in the sense that they have different goals, task structures and resource requirements. Project entrepreneurs are actors who initiate projects, recruit project teams and maintain longer-term network relationships around project tasks. They are the key drivers of network formation in PBOs. (Manning, 2010) It is important to note that in this research, PBOs will be studied as temporary organizations delivering projects, not as traditional organizations that organize most of its work in projects. The latter is rather a project-supported organization (PSOs) as defined by Lundin et al. (2015) and is outside the scope of this study.

A PBO is a good fit for dynamic environments where the demand shifts rapidly and sometimes unexpectedly, in the sense that they bring together specialists with different competencies to work as a team without a clear expectation for continued employment or subsequent cooperation (Cattani et al., 2011). As such, these systems are called as “*organizational equivalent of a one-night-stand.*” (Meyerson et al., 1996) Such organizations are preferred in quite a number of industries ranging from consulting (e.g. law, architecture, management consulting, accounting and advertising) to cultural / creative industries (e.g. movie and TV productions, fashion, music and theater) and more complex infrastructural systems. (e.g. telecommunications and construction) In the recent decades, project based temporary organizations, or project networks, have received increasing attention from scholars as a new form of organizing (Sydow, 2009; Sorenson & Waguespack, 2006; Schwab & Miner, 2008; Cattani et al., 2011, Manning & Sydow, 2011; Ebers & Maurer, 2016). The increased attention to such organizations is due to the fact that temporary organizing is becoming more and more prevalent as a fast and highly flexible form, allowing termination of unsuccessful ventures at lower costs, (Sydow et al., 2004) providing managerial flexibility and opportunity to mobilize resources and capabilities (Manning & Sydow, 2011).



Analysis of the literature points to two major theoretical approaches to PBOs. As summarized by Maoret et al., (2011) these two approaches can be classified as “organization centric” and “field centric”. Table 2.1 summarizes the main attributes of these two perspectives.

Table 2.1. Summary of theoretical approaches to PBOs

	<b>Organization Centric</b>	<b>Field Centric</b>
<b>Units</b>	PBOs	Project networks, social networks, project ecologies
<b>Definition</b>	Project based enterprises representing project-specific legal entities that dissolve after project completion	Project networks based on alliances between multiple organizations and individuals
<b>Research areas</b>	How project based organizing affects strategy and structure	Understanding the mechanisms that lead to coordination across projects, creation of institutionalized practices and knowledge transfer
<b>Actors</b>	Project members	Project members and field level actors
<b>Resources</b>	Tangible (human, budgets)	Intangible (values, norms)
<b>Related papers</b>	DeFillippi & Arthur (1998) Whitley (2006)	Manning & Sydow (2007) Grabher (2004) Uzzi & Spiro (2005)

Most of the studies on PBOs follow an organizational centric approach where projects are entities around which project organizations coordinate their functions (Maoret et al., 2011). Therefore the unit of analysis of such studies are PBOs and the locus of attention is at the organizational level (Miterev et al., 2017). While this dissertation study follows the footsteps of this stream, I will be making use of the field centric literature as well, especially with regards to tie formation and dissolution.

In a systematic review, Bakker (2010) reviewed all articles on PBOs from 1964 to 2008 and listed the main themes studied. I have complemented this review by adding relevant topics from the PBO literature from 2009 to 2016. The summary is presented in Table 2.2.

Table 2.2. Themes from scholarly work on PBOs

<b>Theme</b>	<b>Research Areas</b>
Time	<ul style="list-style-type: none"> <li>• Effect of time limits on functioning and performance of PBOs</li> <li>• PBOs developing over time</li> </ul>
Team	<ul style="list-style-type: none"> <li>• Selection of PBO team members</li> <li>• Management of temporary teams</li> <li>• Team members of PBOs resolving issues of uncertainty and risk</li> </ul>
Task	<ul style="list-style-type: none"> <li>• Tasks performed via PBOs</li> <li>• Task effectiveness in PBOs</li> </ul>
Context – Firm	<ul style="list-style-type: none"> <li>• Sustaining knowledge</li> <li>• Performance-outcome learning</li> <li>• Managing innovations</li> </ul>
Context – Social	<ul style="list-style-type: none"> <li>• Impact of embeddedness in a social context on PBO processes</li> <li>• Career forms and capabilities</li> </ul>

As part of the increased scholarly attention, EGOS Colloquium held in 2013 had a sub-theme on temporary and project-based organizing and *Organization Studies Journal* published a special issue on temporary organizing (vol 37., 2016). In the call for papers for that special issue, the editors have specified three important ways that PBOs challenge current theorizing. First, main focus is on transience and limited durations, pointing out to the impact of prior experience and future expectations on subsequent partnerships. Second, it points out to the tension between temporary organizations and the permanent institutions and networks in which they are embedded. Indeed, projects are embedded in a network of previous interactions which affects how effectively those projects are completed, how participants in new projects are brought together, and how learning occurs (Cattani et al., 2011). And third is the need for research designs taking into account the temporal nature. It is quite challenging to utilize appropriate research designs to capture the dynamic phenomena in the correct temporal order. However at the same time, such temporary organizations also enable stronger research designs, as they usually have a clear beginning and a termination, enabling the researcher to capture the activities entirely (Bakker et al., 2016). This dissertation study will touch upon all these areas, more specifically on the partnership selection, impact of previous interactions, learning from disbanded projects and utilizing the correct research design.

### 2.1.2. Tie Formation and Renewal

Different from traditional perspectives of organizing that examine actors in isolation, networks literature focuses on relationships among actors, on individual or organizational levels. This perspective emphasizes that these actors are nested within networks of embedded relationships, providing opportunities, and at times constraining their behavior. These relationships are maintained over time and across tasks, establishing a stable pattern of interrelationships (Brass et al. 2004). Network scholars focus their research agenda on two main themes. First is related with the *consequences of networks*, aiming to explain the variance in the outcomes of interorganizational and interpersonal networks. Work in this area deals with outcomes such as; performance (Baum et al., 2000, Uzzi & Spiro, 2005; Goerzen, 2007), innovation (Shan et al. 1994; Ahuja, 2000), and survival (Uzzi, 1996, 1997).

Second theme is the *antecedents of networks*, that is, how the networks are established and how the interrelationships are built. A review of literature reveals the following topics as the antecedents that explain the dynamics behind creation of such networks; needs of the firm (strategic resources, legitimacy and knowledge), reducing uncertainty and trust.

#### *Acquiring resources, legitimacy and knowledge;*

One of the goals of organizational leaders or project entrepreneurs in establishing ties with other players in the market is the need to acquire knowledge. In the context of project industries, network-building is often associated with the accumulation of project-based ties. Through project collaborations, actors acquire various contacts, gain experience and build up relationships, which become important resources for future projects (Manning, 2010). By networking, firms not only gain industry knowledge, but they also obtain knowledge about networking itself, which makes them preferable partners for future collaborations (Ahuja, 2000).

Research on organizational legitimacy reaching back to the works of Parsons (1960), Pfeffer & Salancik (1978) and Meyer & Scott (1983) suggests that one of the strategies to enhance legitimacy is to have the organization identified with legitimate figures in the

environment. This strategy is also considered as an antecedent of interorganizational relationships (Galaskiewicz, 1985).

*Reducing uncertainty;*

In his 1985 paper, Galaskiewicz argues that in case of uncertainty, organizational decision makers are faced with an option to either make decisions with insufficient information, or chose other strategies to improve their knowledge of the environment thus gain more control. Forming interorganizational networks is one such strategy. He argues that environmental uncertainty triggers organizations to develop interorganizational relations. In an empirical paper, Galaskiewicz and Shatin (1981) studied human service organizations under environmental uncertainty and showed that organizations whose leaders had common organizational memberships had cooperative ties with one another.

From a transaction cost economics point of view, uncertainty has been a prominent factor in explaining antecedents of vertical integration. Uncertain environments and the bounded rationality of decision makers increase transaction costs for the organization. Therefore organizational strategies are focused on reducing these costs (Williamson, 1991). Forming interorganizational networks is among those strategies to cope with market uncertainty. In coping with uncertain and risky environments, networks reduce costs by externalizing in-house activities, and they aim to guarantee quality by holding out the promise of repeat contracting upon satisfactory performance (Starkey et al. 2000). Miles and Snow's (1986) definition of a dynamic network is comprised of a central core drawing upon the services of specialist agents shaped by productive demands. They argue that such networks are the most effective form of organizing to cope with uncertain, turbulent and competitive environments.

*Trust;*

Dyadic business relationships comes along with a strong non-financial dimension. As discussed in social networks research, (Granovetter, 1985) economic action does not occur in isolation, and the tendency for commercial relationships are closely tied with personal relationships. Trust in such commercial relationships pertains to the extent to which negotiations are fair, commitments are upheld, and requirements are fulfilled through actions undertaken by the other party (Zaheer & Venkatraman, 1995). As such, most researchers have focused on relational trust, in which the parties utilize information

from prior interactions of the other party, in order to judge each other's reliability. Building on transaction cost perspective, in their study of buyer-supplier dyads in manufacturing industry, Zaheer and Venkatraman (1995) found that, a buyer's trust in a supplier organization reduced negotiation costs and conflict and it was also positively correlated with better supplier performance.

Given these antecedents, although networks appear as the optimum answer for such contexts, the question of which ties to select, drop or renew should be the next one to follow. Here, scholarly work focuses on two options under different circumstances; keeping/renewing old ties, and mixing and matching of old ties with the new ones.

*Keeping/renewing existing ties;*

Theory suggests that organizations show a propensity for forming ties with their past partners (Gulati, 1995; Gulati & Gargiulo, 1999), or their partners' partners (Uzzi, 1996). Prior research has observed that organizations often enter into alliances repeatedly with previous partners since the trust that develops between them may reduce transaction costs, as discussed earlier. Lowering of search costs as well as a reduction in the perceived need for more detailed contracts, which, in turn, facilitate more flexible partnerships that can adapt to shifting environments (Goerzen, 2007). Networks, therefore, appear to develop through a 'snowball effect' as those with established relations try to find new ways to work together (Gulati, 1995). Prior collaborative experience helps build up trust and common ground facilitating future collaborations (Gulati, 1995; Uzzi, 1997).

Prior ties seem to be particularly important under conditions of uncertainty. Gulati (1995) found that riskier alliances were more tightly coupled with previous alliances than were the less risky alliances. In a similar vein, Beckman et al. (2004) found that firms experiencing greater market uncertainty were more likely to form alliances and interlocks with firms with which they had previously interlocked. Keister (2001) found that in the early stages of China's economic reform, in a period of uncertainty, firms tended to form ties with firms and managers with whom they had prior ties.

*Mixing and matching:*

Shipilov et al. (2006) suggest that the logics of attachment are different depending on whether considering a new tie or renewing an existing tie. They find support for their

proposition that network attributes affect new ties, and thus, are influential in the emergence of new networks as organizations are forming their initial ties. Once well established, however, the network plays a less significant role in its own evolution.

As mentioned before, one main feature of project networks are flexible partner pools. In order to access certain skill sets, to reduce uncertainty and dependency on any particular professional, project entrepreneurs build up pools of potential project partners with similar skills or backgrounds. However, case findings suggest that project entrepreneurs do not build up these pools from scratch. Rather, these pools seem to result from grouping existing and new network partners according to requirements of the tasks. Pooling is a practice project entrepreneurs develop in response to managerial challenges (Manning, 2010).

Despite the fluid dynamics of project businesses, strong ties may establish and sustain between particular project partners (Ferriani et al., 2005; Sorenson & Waguespack, 2006). The main reason is the ability to exploit established trust and collaborative routines in related project contexts (Manning and Sydow, 2008; Schwab & Miner, 2008). While newcomers enhance exploration, innovation, and the chances of finding more creative solutions to team problems, old-timers increase exploitation, inertial behavior, and resistance to new solutions. In cultural industries, *'consumers need familiarity to understand what they are offered, but they need novelty to enjoy it.'* (Peretti & Negro, 2007) These scholars find support to their proposition that innovation comes from both newcomers and their novel combinations with old-timers.

This dissertation study will build on the knowledge gained from this theme, albeit with a twist. I will be examining the cases of tie formation/renewal following a previous undesired experience.

The list of empirical papers covered in the tie formation literature review is provided in Table 2.3. The classification is based on the research area (networks literature in general and PBOs in specific) as well as the research topic (antecedents and consequences of tie formation)

Table 2.3 Classification of empirical papers on tie formation and renewal

Research Area	Network research (e.g. Alliances, VC)	PBO research
<i>ANTECEDENTS</i> Partner selection; - new / existing - arm's length / embedded - explore / exploit	Podolny (1994) Gulati (1995) Uzzi (1997) Li & Rowley (2002) Beckman et al. (2004) Baum et al. (2005) Shipilov et al. (2006) Lavie & Rosenkopf (2006) Zhelyazkov & Gulati (2015)	Schwab & Miner (2008) Sydow (2009) Manning (2010) Manning & Sydow (2011) Ebers & Maurer (2016)
<i>CONSEQUENCES</i> Outcomes of collaborations	Ahuja (2000) Baum et al. (2000) Gulati & Higgins (2003) Uzzi & Spiro (2005) Goerzen (2007)	Soda et al. (2004) Sorenson & Waguespack (2006) Peretti & Negro (2007) Gulati et al. (2009) Ferriani et al. (2009) Holloway & Parmigiani (2016)

### 2.1.3. Performance-Outcome Learning

The third stream of research related with the dissertation study pertains to organizational learning, more specifically on performance-outcome learning (trial and error learning or experiential learning). I will be outlining the relevant studies not only on performance-outcome learning but also on the issues specific to cultural/creative industries.

#### *Performance-outcome learning:*

Argote (1999) defines organizational learning as a systematic change in behavior and actions based on prior experience. Performance-outcome learning rests on the assumption that the decision maker observes outcomes, interprets them, and repeats activities that generated favorable outcomes and avoids activities with unfavorable ones (Cyert & March, 1963). As a result of these experiences, routines emerge and develop (Muehlfeld et al., 2012). Theory suggests that successful experiences lead to reduced search efforts for new and possibly superior solutions since organizations prefer to allocate their scarce resources to exploiting existing routines instead of exploring new ones, leading themselves into a competency trap (Cyert & March, 1963; Levinthal & March, 1993).

Failure, however, leads to search for superior solutions and scholars have argued that it contains more cues as opposed to success in terms of causality by generating new and unexpected types of knowledge (Baum & Dahlin, 2007; Madsen & Desai, 2010). The performance-outcome learning cycle contains three major steps; understanding performance outcomes, attribution of these outcomes to particular sets of prior behavior, and utilization of this knowledge to make decisions for the following rounds of action (Levitt & March, 1988). The second step in this cycle brings along an attribution challenge, referring to the difficulty in determining what specific prior actions led to the specific outcomes, and therefore need to be repeated or avoided. This may either be due to lack of sufficient information, or due to the difficulty in agreeing on the possible causes (Khanna et al. 2016). Here, there is a need to further understand the attribution theories and how these theories are linked to organizational learning, especially learning from failures. The following subsection will be covering the antecedents of causal attribution, as well as how internal and external attribution might effect partner selection following a failed project.

In addition to the attribution challenge, in spite of their flexibility and adaptive capabilities, project based organizations face considerable obstacles due to their temporal character in terms of organizational learning and knowledge management (Schwab & Miner, 2008). Considering the temporary nature of projects, it is crucial to understand how knowledge is transferred between project members and across projects (Maoret et al., 2011). In project systems, since the project team disbands after completion of the task, the project sponsor, or project entrepreneur, becomes the owner of organizational memory and acts as the decision maker for future project participation. In such settings, the key learning input becomes the project performance, and the predicted learning outcome becomes the future collaborations between the same partners (Schwab & Miner, 2008).

#### *Learning in cultural industries:*

In cultural/creative industries, the attribution problem becomes more prevalent, due to the subjective nature of the product. Moreover, organizations have very little, if any, control over consumer tastes and preferences, especially when compared with other industries producing tangible outputs. Tacit knowledge is therefore more important in such industries, and talent, creativity, and innovation are the resources that are critical for



success (Miller & Shamsie, 1996). In their study on Hollywood movie productions, Miller and Shamsie (1996) empirically show that knowledge-based resources provide better rewards than property based resources under uncertainty. These resources cannot be clearly defined, they may emerge from unexpected sources, and may lose their value for reasons that are not always well understood (Lampel et al., 2000). All in all, learning from failures is more costly and difficult in such circumstances where tasks are heterogeneous and nonrepetitive.

### **2.1.3.1 Attribution Theory and Learning**

Attribution is the process of assigning causal accounts to specific experiences by identifying the factors that contributed to them (Martinko et al., 2011). Focusing on the perceived causes of behavior, attribution research is mainly concerned with the processes that make our circumstances understandable, predictable and controllable. In this research stream, scholars are interested in *attribution theories* covering antecedent conditions that lead to different causal explanations such as; information, beliefs and motivation, and *attributional theories* covering the psychological consequences of causal attributions such as; behavior, affect and expectancy (Försterling, 2001). Attribution theory states that it is functional to make causal attributions. It serves the function of understanding, predicting and hopefully controlling the behavior and events; otherwise the world would seem chaotic, unstable and out of control, threatening the psychological wellbeing of individuals.

Failure provides opportunities for learning (Sitkin, 1992), on the other hand, it also triggers defensive reactions that hinder learning, by causing a threat to the individual's self-esteem and positive social image (Edmondson, 2007). Learning from failures is largely dependent on the individual's or team's own attributions of responsibility, that is taking ownership for the outcome or blaming it on external circumstances or on the broader environment (Myers et al., 2014). Internal attribution is a necessary condition for motivating learning and behavior change (Gilbert & Malone, 1995) and therefore failures are likely to lead to learning only when the related parties internally attribute the failure. External attribution is often considered as deceiving self about the nature of experience

hence it hinders the learning process by reducing the chances of devoting resources to understanding causality. Making internal or external attributions following an unfavorable result are found to be related not only with personal characteristics of the individual but also with the characteristics of the task (Myers et al., 2014; Wolosin et al., 1973), the team context (Wilhelm et al., 2019) as well as the organization-level barriers, such as reduced rewards, and lost credibility (Cannon & Edmondson, 2001).

## **2.2. Study Context**

Outputs from cultural (or, creative) industries are those that serve aesthetic or expressive needs of consumers. Ranging from movies, television, music and theatre to visual arts, cultural industries play a significant role in shaping our values, attitudes and lifestyles (Lampel et al., 2000). The goods produced from this industry are nonutilitarian, deriving their values from subjective experiences of consumers. To that respect, they can be considered as experience goods, since customers can determine their quality only after consumption. Organizing and managing in such industries are not usually at par with established management theories, resulting in limited attention from organizational scholars. Even the scholars working on project based organizing have frequently worked on construction projects, legal advisory or software, where the focal company is expected to stay in business and seek for new projects. However, cultural industries present a more suitable arena for such research since the companies are essentially disbanded once the projects are completed, and staffing and capital investments are only temporary (DeFillippi & Artur, 1998). Even if the production companies stay in business as the same legal entity, apart from the producer and a few administrative staff, the team is renewed for each project.

Although limited in number, motion picture industry has been used to test theory on project-based organizing, because the structure of relationships between cooperating participants are highly visible (Cattani et. al, 2011; Skilton, 2011). Market uncertainties and demand volatilities in cultural industries require producers to develop key competencies in the identification and selection of talented project participants (DeFillippi & Artur, 1998). Since producers do not retain internal capabilities, they follow

a flexible partnering strategy characterized by quite frequent creation and dissolution of project partnerships (Skilton, 2011). For the recruitment and selection of project members, the project originators in creative industries rely on informal patterns of interaction. These interpersonal networks are driven by repeated interactions as well as new ties with distant members.

Cultural industries, and especially TV Series production, is specifically a fruitful arena to explore the nature of partner selection following a failure for a couple of reasons. First, TV series are independent projects, and participant selection is made at the beginning of each production project independently. Production companies and producers are therefore able to evaluate their TV series' performance, and reflect on their learning upon their next project. Second, there are clear and unbiased measurements of performance and definition of failure is relatively straightforward. For performance-outcome learning to have an impact on the future project participants, availability of information on previous project's performance is necessary.

On top of these, the context of this dissertation study, the Turkish TV series industry, contains a period of exogenously introduced market uncertainty enabling me to observe possible changes in production companies' partner selection criteria under.

Production of TV series in Turkey has started in 1974 with TRT productions, the single government-owned TV channel of the time. Only after 1989, with the establishment of private TV channels, the Turkish TV series became more widespread and popular. The latest Turkish Television and Radio Industry Report (RATEM, 2018) shows a switch from terrestrial to cable and satellite TV. The increase in TV channels have stabilized after 2015 and as of 2017, there are 196 terrestrial broadcasting TV channels, 165 are local, 12 are regional and 19 are national. The number of licensed broadcasters on cable network are 162 and 371 on satellite. (see Figures 2.2 and 2.3)

Figure 2.2. Annual change in terrestrial analog broadcasting TV channels

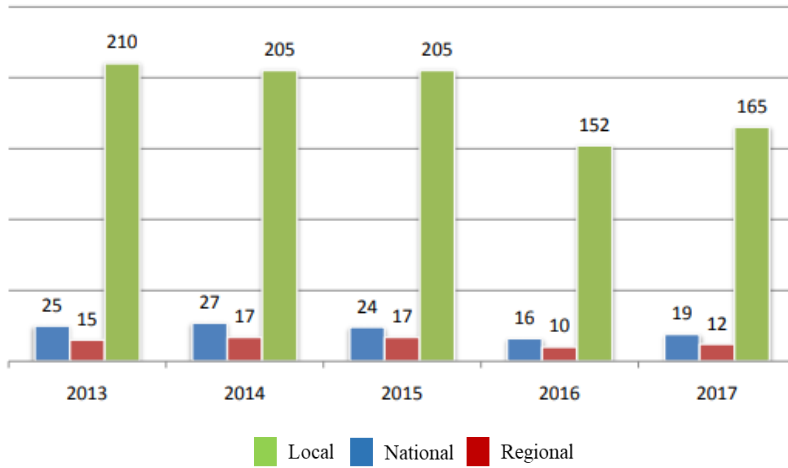
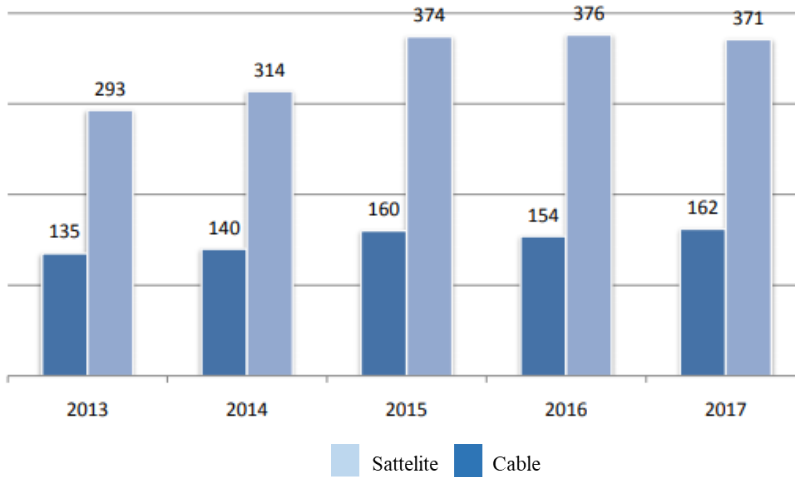


Figure 2.3. Annual change in TV channels with cable and satellite licenses



As of 2017, the TV industry has reached a stunning 50% share on the total advertising revenues, well above the European average of 25% and the global average of 40%. This enormous growth in advertising revenues partly resulted from the increased interest in TV series that enjoyed a prime time share as high as 65% (Deloitte, 2018). In the international arena, the popularity of Turkish television series has skyrocketed over the last decade, particularly in Middle Eastern and eastern/southern European countries. As of 2018, Turkey is the second highest exporter of TV series in the world after the US, with over \$500 million annual exports to 146 countries reaching over 700 million international viewers. Turkish TV series constitute about 25% of all TV series watched all over the world. 2023 exports target is as high as \$1 billion in revenues<sup>1</sup>.

<sup>1</sup> <https://www.aa.com.tr/tr/kultur-sanat/abdden-sonra-en-fazla-dizi-ihrac-eden-ulke-turkiye/1641524>

TV series production industry is highly fragmented, about 85 current firms are competing for airtime of a much limited number of competitive TV channels. Around 90% of the TV series are produced by production companies, while the remaining 10% are internal productions of the TV channels. Half of these companies produce only one TV series in a given season, a quarter producing from 2 to 4, and the remaining quarter producing over 5 series during a season on average. The initial contracts between the channels and the producers are signed for the first 13 episodes, with a no-penalty interim cancellation option for the channel, for most of the contracts. The ratings of the initial 5-6 episodes are thought to reflect the future performance of the series, therefore they are quite important in the decision to renew the contracts between the channels and the producers for the ongoing episodes. The major channels before starting a project, set a performance target for each project depending on the financials. The drama departments of the TV channels and the top management give the final decisions using their professional expertise and insights, taking into account their companies' overall broadcasting strategies as well as other possible ongoing relationships with the producer. When deciding among options, they act as "gatekeepers", the key personnel who determine access to information, products and services (Chandler & Munday, 2011). TV channels usually avoid taking risks on small scale or new producers and prefer to rely on projects from established players. These players have access to higher managerial levels in TV channels, while the small players go through a more thorough evaluation process, also facing stricter and less desirable contract terms (Ateşalp, 2016).

When a TV series underperforms and does not bring the expected ratings, the channels may try a new airtime, offer changes to the script and support the series with additional advertising. If none of these actions work, in order to stop further losses, they remove them from their broadcasting schedule and cancel the contracts. There are many unsuccessful series that are cancelled by the channels right after these initial episodes. Every season, about 50-70 new series take off, 20% of these projects are cancelled before the 13<sup>th</sup> episode and another 25% are cancelled before the 23<sup>rd</sup> episode (Şentürk, 2017). Cancellation of contracts result in wasted investments for the producers, due to rents, scenery and costume expenditures, putting the production companies under financial distress. Due to budget and human resource constraints, producers are not always able to start multiple projects at the same time, hence they are unable to spread risks of failure. As failed projects are serious sources of concern, they spend quite a lot of time deciding

on both which project to proceed with, as well as the cast and crew. It takes on average six months before the production starts after deciding on the initial project idea, as expressed in the exploratory interviews.

The role of creativity is key, and the long-term survival of production companies depends on maintaining quality, efficiency, and profitability as well as their ability to keep maintain creative resources. Having hit upon a formula that works, TV production companies prefer replicating successful recipes to reduce risks (Soda et al., 2004).

The major success factors for TV series are, first, the star power, a very important potential tool to attract audience right in the initial episodes, and second, a good scenario, which in the long run may excel as an equally important factor. TV channel airing the series is also important, both in terms of its established reputation and average ratings, and also its financial strength to support the series. There are six TV channels taking the major share from TV series advertising revenues, TRT1, ATV, Show TV, Star, Kanal D and Fox TV (Şentürk, 2017). Competition among the channels are intense, there is at least one TV series on air on each major channel every day. The majority of TV series are broadcasted in prime-time, right after evening news. The minority of the projects are broadcasted in the morning or in the afternoon. On a given day, a viewer has to choose among a minimum of six or seven competing productions.

For the TV channels, revenues from these projects are limited to advertising revenues within the broadcasting period. The advertising regulations do not allow more than 12 minutes of ads within an hour, and there are additional restricting conditions for product placements. This leads to an inevitable increase in TV series durations, so that the TV channels can have up to four advertising zones within one episode instead of one or two (Aksel & Can, 2011). In the recent years, TV series airtimes have increased to as much as 140 minutes, making them resemble a movie production, that has to be produced every week. The programs start at around 20:00 with a long summary of the last episode and last up until 23:00 with advertising breaks. As also mentioned in the exploratory interviews, due to the increased duration and cost of shooting, it is not always possible to make stocks of episodes. This adds additional burden on the producer and the crew, forcing them almost to a just-in-time production method.

Starting from 1992, up until the end of 2011, the TV ratings had been measured by a Swiss headquartered media research company, AGB Nielsen, contracted by the Television Audience Research Committee Joint Stock Company (TIAK). TIAK is an establishment of the Association of Advertising Agencies, Advertisers' Association, and the major broadcasting organizations, aiming to obtain the fairest and most accurate measurements of television viewer choices. In late 2011, the government has taken control over the regulation of media monitoring via RTÜK, the Radio and Television Supreme Council, a state-controlled organization in charge of overseeing all media broadcasts. At the same time, TIAK cancelled the contract for measurement of TV ratings with AGB Nielsen following a set of allegations about the disclosure of the locations of the rating measurement boxes. TIAK signed a new contract with a new company named TNS, but by the time the new company was ready to operate, there had been a 10-month period in 2012 where TV ratings were not measured. A year after the restart of rating measurements, RTÜK issued a new mandate for segregating the duties of database management and actual measurement and reporting. A new company called ANAR was contracted by TIAK for database (sampling universe) management, TNS keeping the measurement and reporting duties. Also, RTÜK has issued mandates on how to select the household samples to be included in the database, causing direct government intervention on how to measure TV ratings. The new panel was prepared by ANAR, and rating boxes were redistributed by TNS to the new sample universe. Quite expectedly, after June 2014, the ratings have shifted significantly as the socioeconomic indicators of the sample had changed. This development has resulted in a second period of exogenously introduced uncertainty on the side of the producers and the TV channels about what types of series would now "sell" better to cater for the preferences of the new population chosen for the new rating system.

### **2.3. Exploratory Interviews**

Four semi-structured interviews are conducted in order to better understand and explore the dynamics of the chosen industry and get industry professionals' insights around the research questions. The interviews are made face to face and they lasted between 40

minutes and 1 hour. While selecting the candidates, attention is paid to include as many stakeholders as possible, that is, TV channel managers, producers and the creative crew.

The interviewees are:

1<sup>st</sup> interviewee, Mr. Korhan Bozkurt – Director and screenwriter

2<sup>nd</sup> interviewee, Mr. İzlen Erdem – Producer (İz Yapım)

3<sup>rd</sup> interviewee, Mr. Tolga Baysal – Producer (Böcek Yapım)

4<sup>th</sup> interviewee, Mr. Mehmet İçağasıoğlu – AGM, Sales Group President (Fox Networks)

During the interviews, four main themes came up and they will be outlined in this section along with memorable quotes. The interviews are recorded with interviewees' consent and they are transcribed. Views of the professionals are reflections of their own experiences and they do not reflect the opinions of the organizations that they belong.

### **2.3.1. Industry Dynamics**

A good story is one of the three most important factors that makes a TV series successful. The other two are the director and the actors. If one of these are not satisfactory, it is usually not possible to come up with a project that will last very long. While it is possible for the director and the actors to ruin a great scenario, it is not possible even for the best director and reputable actors to uplift a poorly written script. “What we are doing is social psychology engineering; you need to feel the mood of the public” says 4<sup>th</sup> interviewee. The producers and the channel managers need to judge the public sentiment and make selections accordingly. The other factors that determine the success of a project are the popularity and financial strength of the TV channel and the competition for the common airtime. In this industry, the players try to commercialize a creative product, just like in theaters and art galleries. If one product does not hold, they try a new one, usually at high costs. Making a project for one of the main channels require a budget as high as 500.000 TL per episode, on an average of 8 episodes, a producer needs to spend 4 million TL in advance and get the investment back in installments from the TV channel. Considering the fixed costs of establishing a plateau, rents, down payments, costumes and redecoration, an unsuccessful project brings too high a cost to bear. Even the most accomplished production companies are able to produce a maximum of two or three



projects per year. Therefore, selecting the right project is of critical importance both for the producer and also for the TV channel.

Regarding the supply and demand equilibrium, the industry is still producing much more than the demand. The main goal of the producers is to create a series that would continue for at least two seasons and then market the project to overseas audience to hit greater revenues. Overseas sales revenues are shared between the channel, the producer and the third party marketing agent. As a result of the race for potential revenues, for any given day, there are almost seven TV series on air, making it hard for the viewers to choose. On top of that, the duration of the episodes being as long as 140 minutes makes it very hard to maintain the script quality as the story unfolds. These factors deteriorate the quality of the output, and “shooting the industry in its foot” as mentioned by one of the interviewees. “A director becomes an operator. How can you expect someone to shoot two hours of high quality creative work every week?”. This is specific to Turkish market, and quite different than for instance, the 45-minutes average duration of a typical American TV series. Low quality scripts and lack of creative work are among the reasons why an important portion of the projects do not succeed.

### **2.3.2. Project Selection and Design**

When designing a new TV series project, in most of the cases, a screenwriter with a draft script initiates the relationship by approaching a producer, or for some cases, a producer comes up with an idea and approaches a screenwriter to create the story. In either case, the project starts with a scenario idea, followed by selection of the director by the producer. The producer, along with the director, tentatively establishes the rest of the creative crew; the cinematographer, editor and the potential actors. 3<sup>rd</sup> interviewee mentioned; “it is crucial to accept that this is the director’s world. However, apart from a handful of projects with reputable directors, such decisions are usually made solely by the producers.”

Once the draft synopsis and the potential crew are ready, the next step for the producer is to sell the project idea to a TV channel. Most of the channels have a drama team who read the scripts reaching them, acting as a pre-selection step. The scripts that they believe need

further evaluation are passed on to the upper management. The C-suite makes the selection and sits on the negotiation table with the producer. A typical contract includes terms regarding local and overseas revenue sharing, budget and the payment terms, responsibilities against possible RTÜK fines, and the episode delivery terms. On a 13-episode contract, usually the TV channels guarantee payment up to 6 weeks and keep the termination option for the remainder of the contract term. Once the contract is signed, it usually takes a couple of months until the first episode starts. During that time, the ads run on TV and the producer hits the start button for execution.

### **2.3.3. Performance Evaluation**

Every major TV channel has a preset performance criteria for the project upon signing the contract, to be measured by the ratings. Around week six, the average % ratings for the last two or three weeks are calculated and compared to the minimum acceptable level. If the ratings are not satisfactory, there are two options for the channel. If they really believe in the project, they try to keep it alive, or they may decide to terminate. If the decision is to keep the project alive, the channels may do the following changes. The broadcasting day is revised, and switched to a less competitive one, which is not always an easy task, since usually all other days are already booked by other series. Another action the channels might take is to request a modification on the script to make it more appealing to the target audience. These kind of changes have a lagged effect, it takes around two or three more episodes to see the impact on the ratings, if there are any. If none of these actions work, the channels cancel the contracts. When a cancellation decision is made, 2-3 more episodes are produced to be able to bring the story to a meaningful ending. The projects cancelled early create financial loss both for the producer and the TV channel. The producers are at a loss due to fixed costs incurred, and the channels are at a loss due to limited advertising for the first six episodes of the project, causing reduced earnings as well as opportunity losses.

In case of failure, it is not easy to pinpoint the reasons. “The arrow of failure hits no one” said 2<sup>nd</sup> interviewee. “When you are marketing a creative product, it is a subjective matter. You think you have done a great job but people somehow don’t prefer it. It is hard to attribute the failure to a specific party. Moreover, since the decisions are mutually given,

by the producer and the channel, once all parties sign off, a failure is treated as a joint failure. On the channel side, each failed project is an opportunity to reflect on the project selection process. 4<sup>th</sup> interviewee mentioned; “the whole thing depends on the relationship between the producer and us (the channel managers). We never blame the producers, if there is a failure, that means there is also something wrong with our project selection. As long as we believe there is no malice, we keep on working with the same producer no matter how many projects fail, because we failed together. This is a system built on goodwill and trust”

When it comes to the relationships between the producer and the rest of the creative team, the picture is a bit different. “If the project is successful, the motto is simple, never change the winning team.” However, failure complicates things. A producer with a failed project cannot easily attribute the reasons of failure to a specific team member either. “It really takes a lot of expertise and experience to make that attribution. Most of the time, you need a scapegoat. And that scapegoat is usually the director” says 2<sup>nd</sup> interviewee. He proceeds with an example; “There is this director who has shot three TV series back to back, and stayed on top of the list for 200 consecutive weeks. For this guy, you have to build a throne. If he fails on 10 projects, you have to give him the 11<sup>th</sup>. But that is not the case. It’s like football, when you lose a couple of seasons in a row, no one cares about your legendary past.”

“While producers make the decisions, the director still carries most of the responsibility” says the 1<sup>st</sup> interviewee, “when things go wrong, the first person to get the blame is the director. Just like in football, when the team fails, it’s the coach who failed. Have you ever seen a club manager resigning?” In creative industries, it is not always possible to pinpoint the problem, or make rational cause and effect decisions. “Just like doctors and lawyers. We are annoyed when we pay so much for a 10-minutes consultation. But there are years of experience behind these 10 minutes. We don’t value the intangible, this is exactly the same for directors. It is always an easy way out blaming them for failure. Being a director is to be able rise from your own ashes. You need to convince everyone everytime. That is one of the reasons why famous directors shoot movies, and TV series directors are not that well-known. Once the job is yours, you’re alone. You’re alone at 02:30 in the morning shooting a scene and you are the only decision maker for a 4-5 trillion TL worth project. The price you pay for this loneliness is to be the address of failure.”

### **2.3.4. Rating System**

In this industry, rating equals cash. The advertising revenues from each production directly depend on the percentage rating that it enjoys. As detailed in section 2.2, the rating measurements in Turkey had two periods of uncertainty. A 10 month period in 2012 when no ratings were available, and another period in mid 2014 when socioeconomic status definitions were altered. Interviewee 4<sup>th</sup> who is the top channel manager mentioned; “it was a very stressful period. For 10 months, we have used the most recent available figures which meant nothing. The advertising agencies and the channels were constantly negotiating, with no sound rationale on either side.”

The rating system is considered to be fair and just by the interviewees. However, they believe that the ratings output is not as valuable as it was. 4<sup>th</sup> interviewee says; “there is one TV series on each channel every night. There are no more talk shows, football and basketball is broadcasted on separate dedicated channels. There is nothing else to watch anyway. So it really doesn’t matter whether you are targeting A or C socioeconomic class, the brands have to place their adds to the same TV series anyway. Your project is number one on Tuesday’s ratings, great, but it could have been number five at the worst case.” The ratings may reflect the popularity of the project, however, the socioeconomic classifications are no longer as valuable information to the advertisers as it was before.

## **2.4. Research Question**

Taking the past literature, insights from the exploratory interviews and theoretical arguments into consideration, the dissertation study focuses on the following research question:

*How do project based organizations react to failure on their subsequent partnership selections? More specifically, under what conditions originators of projects choose to continue their partnerships even though the outcome of the relationship was a failure?*

I propose that in case of failure, the project originators opt for new ties when selecting members for the next project. However, there are multiple factors affecting these

decisions, weakening or strengthening the relationship between project outcomes and propensity to repeat those ties. I illustrate the research model in Figure 2.4 at the end of the hypothesis development section.

## **2.5. Hypothesis Development**

The network literature has examined when and how a new tie is preferred as opposed to building on an existing tie. In order to reduce partner uncertainty, organizations are likely to form ties with their past partners, or partners' partners creating rather stable networks (Shipilov et al, 2006). Over time, as parties increasingly acquire either first hand or second hand information about the other party, they build greater confidence on their capabilities. This increased confidence then serves as a catalyst to the formation of new alliances and partnerships. As an organization engages in repeated relationships with a specific partner, this choice becomes a standardized response to the problem of partner selection. The relational component of social structure provides each party information about the others' needs and capabilities, reducing the hazards (potential unreliability and incapability) associated with future transactions, and increasing the parties' interests in future ties (Gulati, 1995). Organizations, therefore, show a propensity to form repeated ties with their past partners when they are about to form new alliances.

In showing that firms tend to form repeated ties with the same partners, apart from the few aforementioned examples, the literature often remains agnostic to the outcome of the previous relationship as a factor that influences formation of new relationships. However, it is likely that the outcomes of past projects provide feedback for the choice of partners in the next project.

Organizational learning literature mainly aims to explain how organizations learn from their overall experience, only recently distinguishing learning experiences from failures and from successes (Madsen & Desai, 2010; Baum & Dahlin, 2007; Haunschild & Sullivan, 2002). Those studies mainly address the question of how these failures can be utilized as learning tools to increase future performance and to avoid possible future

failures. Performance-outcome learning occurs when the outcome of a given activity influences the propensity to repeat it. That is, positive outcomes of an action increase the chances of the same action to occur in the future, similarly, negative outcomes reduce those chances. The mechanism at play is trial-and-error learning, such that actors intentionally repeat actions with favorable outcomes (Schwab & Miner, 2008).

A small number of studies examine the impact of the outcomes of past relationships on the likelihood of repeated future exchange. For instance, Li and Rowley (2002) find that poor performance of an investment banking syndicate reduces the likelihood of those partners collaborating again in the future. Gulati and Gargiulo (1999) argue that organizations discriminate among their previous partners on the basis of their reliability and capabilities. In a more recent study, Zhelyazkov and Gulati (2015) demonstrate how a venture capital firm's withdrawals from syndicates reduce their likelihood of subsequent syndications. In a study on construction projects, Ebers and Mauer (2016) find that performance dissatisfaction decreases the chances of future collaboration and it also acts as a moderator that attenuates the relationship between frequency of relationships and future collaboration. These studies suggest that performance outcomes act as indicators of partner competence. During my initial interviews with TV series producers, one of the interviewees made the following quote: "I'd never change the winning team". That is an illustration of how prior performance impacts participant selections for the upcoming projects.

In attribution literature, Naquin & Tynan (2003) studied a systematic tendency that they called the "team halo effect" suggesting that teams as a collective are given credit for their successes, however they tend not to be held accountable for their failures, instead specific individuals within the team receive the blame for poor performance. They find that, in the process of understanding the cause of a failure, people are more likely to have counterfactual thoughts that target individuals rather than teams as collectives. One can therefore say that following a failure, decision makers base their decisions on past experiences, attributing at least part of the project outcome to their partner choices. A previous failure, therefore, is likely to produce a negative tendency towards associated partners when the organization is about to make new partner selections. I expect a gravitation toward partners with whom they have successful projects in the past, but show a decreased propensity to repeat ties with partners in failed projects. I therefore propose, as a baseline hypothesis,

*Hypothesis 1: Failure in a project decreases the likelihood of future collaborations between project participants.*

Beckman et al. (2004) defines uncertainty as the difficulty organizations have in predicting the future, that stems from incomplete knowledge. Organizational theorists have long pinpointed the issue of uncertainty reduction through structural arrangements as key to organizational design (Williamson, 1981). External (market) uncertainty is beyond the control of a single organization and cannot be reduced by its actions. Although each new project and related partner selection process carry a certain level of uncertainty inherent in their nature, the question of what happens when there are periods of increased market uncertainty at the time of new partner selection following a failure is an interesting question to investigate. Here, the opposite pressures of “dropping a tie after a failure” and “keeping a tie when faced with uncertainty” is expected to clash. On the one hand, the mechanisms I highlighted above suggest that firms may steer away from partners with whom they have experienced negative outcomes. On the other hand, the literature suggests that organizations tend to partner with past partners to counteract conditions of high uncertainty.

Podolny (1994) has proposed that the organizations overcome market uncertainty by engaging in exchange relations with partners with whom they have transacted in the past. Beckman et al. (2004) has empirically shown that the higher the market level uncertainty, the more likely it is that the organizations will aim to reinforce their networks by forming additional alliances with their existing partners. Moreover, Sorenson & Stuart (2008) has demonstrated that organizations form distant ties more commonly in the context of lower-risk settings. Galaskiewicz & Shatin (1981) also argue that in turbulent environments, organizations rely on past partners to reduce uncertainty. In his study on NY apparel industry, Uzzi (1997) finds support for the hypothesis that networks opt for embedded ties as opposed to arm’s-length ties when they do not possess enough information about the market, which is naturally the case in uncertain environments.

As uncertainty levels increase, firms respond by reinforcing existing relationships. Since increased market uncertainty amplifies the need of a “familiar” partner, an organization might prefer existing partners rather than establishing new ties, even though they have previously experienced negative project outcomes. On top of that, when markets are uncertain, quality assessments of alternative partners are more difficult. When uncertainty

is outside the organization's control, uncertainty is reduced by interacting with similar others causing the organizations to reinforce their existing relationships (Beckman et al. 2004). Moreover, as project systems often accommodate multiple partnership relations, it is not always possible to attribute exact causality of the failure to a specific partner. The originator may therefore not be certain as to which partner relationship to drop and may not be willing to take that risk in case of high market level uncertainty. It is therefore expected that, even following a failure, organizations are likely to prefer repeating ties with prior collaborators over finding new partners. Hence, when there is heightened levels of uncertainty, the propensity to opt for existing ties is likely to be high enough to compensate for the inclination to avoid repeating those ties that have previously underperformed.

*Hypothesis 2: Uncertainty in the market at the beginning of a project attenuates the relationship between failure and likelihood of future collaborations between participants.*

When making alliance decisions, one of the information sources pertains to the reputation that results from past performance (Shapiro, 1983). This type of reputation is also called as the reputational status (Fomburn & Shanley, 1990). Collective reputations can be formed via affiliation or association, and can be transferred from the network of high status partners to the individual members (Ebbers & Wijnberg, 2010). Therefore an actor's reputation is formed not only by his own past performance, but also by the reputations of the exchange partners.

An organization's reputation can be a valuable, rare, hard to imitate and non-substitutable asset, providing the firm with a sustainable competitive advantage. Reputation is therefore considered to be a source of rent and profit (Barney, 1991). Alliance partner selection literature suggests that a firm's reputation plays an important role in partner selection (Hitt et al, 2000). Obtaining a partner with a stronger reputation not only provides legitimacy to an organization, but it also enhances its capabilities to attract customers, suppliers, and resources. In a study on international alliance partnerships, Hitt et al. show that firms also emphasize intangible assets, such as reputation and image in selecting partners, more so in emerging markets than developed markets. In an experimental study, Dollinger et al. (1997) illustrated that a decision-maker's propensity to engage in a joint venture is increased by the positive reputation of the target firm.



In case of a project failure, due to an elevated need to succeed in the upcoming project and to maintain / strengthen their own reputation, it is likely for the organizations to prefer keeping the existing partnerships with high reputation when they make arrangements for their upcoming projects. In such a case, it would not be preferable to drop a tie with high reputation, giving up on future exchange relationships, hence I posit:

*Hypothesis 3a: Reputation of project participants attenuates the relationship between failure and likelihood of future collaborations between participants.*

Project based organizations decision makers are engaged in launching projects, organizing the network of participants. They are the originators of the relationships, and are often called as project entrepreneurs (Ferriani et al., 2009). When putting together a team, the project originator is to make a judgement on resorting to new partners or to the old-timers. As stated in the previous discussion, reputation plays a significant role, not only the participants', but also the project originators'. Established reputations are signals that influence the actions of an organization's stakeholders (Fombrun & Shanley, 1990). An established reputation significantly contributes to the performance differences among organizations enabling them to charge premium prices, attract better resources, and enhance their access to better financing options (Delmestri Et al., 2005). Therefore, 'well reputed firms have a competitive advantage within their industries, but poorly reputed firms are disadvantaged' (Fombrun & Stanley, 1990, p. 235).

It is likely for project originators with high reputation to prefer not repeating failing/underperforming collaborations more as opposed to originators with lower reputation due to two reasons. First, as they are highly legitimate and have proven track records, those project originators not only will be able to attract project partners more easily, they will also have a larger pool of potential qualified alternatives to select from. Second, as audiences rely on the reputations of organizations in making investment decisions and product choices (Dowling, 1986), the project originators with high reputation are likely to have elevated concerns towards maintaining their reputation by avoiding future failures with the same partners.

In case of a low performance and failure, due to a need to maintain their high legitimacy, and to avoid possible losses of reputation, the project entrepreneurs would be less tolerant to failure and would prefer not to keep these ties when they make arrangements for their upcoming projects.

Moreover, looking through the lenses of the attribution theory, one of the most robust findings is the self serving bias; people take personal credit for their successes but do not take similar credit for failure and attribute it to external circumstances (Weiner, 1986; Streufert & Streufert, 1969). In their study, Gilmor & Minton (1973) show that individuals with a positive sense of personal power or ability will increasingly tend to attribute responsibility for failure externally. As higher reputation would possibly translate into an elevated positive sense of personal ability, it is more likely to exacerbate the external attribution of failure. Through this mechanism, one can expect that the project originators with a higher reputation would be less likely to attribute the failure internally, reducing the likelihood of repeating partnerships with the participants of the projects that have failed.

*Hypothesis 3b: Reputation of project originator amplifies the relationship between failure and likelihood of future collaborations between participants.*

Firms evaluate past partners on the basis of capabilities and reliability (Gulati & Gargiulo, 1999). First-hand experience obtained from prior collaborations provide the most accurate information. In their study on US investment banks, Li & Rowley (2002) argued that organizations manage uncertainty inherent in partner selection by considering the performance outcomes of past ties, and they find support for their hypothesis that organizations chose partners with more favorable outcomes. Moreover, in evaluating the project performance for future collaborations, it is not always possible to pinpoint the antecedents of performance. In such a situation, positive outcomes of prior collaborations among the same project participants are likely to influence the evaluation decision. Prior successful collaborations before a focal project increase the chances of project's performance to be attributed to the combination of participants (Schwab & Miner, 2008).

A firm's previous success with a given partner plays an important role when evaluating new partnership opportunities (Levitt & March, 1988). As discussed previously in the first hypothesis, Naquin & Tynan (2003)'s study showed that individuals within the team, rather than the team as a collective, receive the blame for poor performance. However, the identification of causal factors by way of counterfactual thinking has been found to be biased by one's prior experience (Einhorn & Hogarth, 1986). There may, therefore, exist a bias towards the participants of previously successful collaborations.

I hypothesize that previous positive outcomes reduce the negative effect of the recent low performance on the propensity to repeat collaborations. That is, given equally lower levels of current project performance, the project owners who have enjoyed a better performance with the same project partners will be less likely to give up on them when starting a new project venture.

*Hypothesis 4: Performance of prior collaborations attenuates the relationship between failure and likelihood of future collaborations between participants.*

Although it is empirically shown that prior performance impacts current partner selection, it is also true that organizations and individuals are constrained by their limited attentional capabilities (Kahneman & Tversky, 1982). Recent events are more easily remembered, perceived and used for decision making (March et al. 1991). Literature reveals that more recent experiences have stronger impact than older experiences (Baum & Ingram, 1998). In his paper on alliance formation, Gulati (1995) demonstrate that the likelihood of alliance between two firms diminishes as the time elapsed since they last entered an alliance increases. In a more recent study, Schwab & Miner (2008) also show the moderating effect of recency of collaborations on performance and partner selection relationship. It is therefore likely that knowledge gained from more recent collaborations will have higher perceived relevance for upcoming project partner selection decisions, and as the time passes the effect of the negative outcome would diminish.

*Hypothesis 5: Time passed after the most recent collaboration attenuates the relationship between failure and likelihood of future collaborations between participants.*

Searching for new potential partners brings along risks and uncertainties. The organizations aim to overcome those risks by limiting their searches to the boundaries of available information. Therefore, while projects are temporary, ties among the participants may outlive project durations. Some project members may cooperate repeatedly, and sometimes even routinely. As collaborative experience promotes trust in the ability of partners (Manning, 2010), a deeper level of relationship is likely to have built up the necessary level of trust, and advantages in coordination, collaboration and adaptation. The trust arising from prior relationships facilitates the exchange of tacit knowledge and the execution and implementation of novel ideas (Ferriani et al. 2009). These repeated relationships not only promote trust among participants, but also work as

repositories of learned experiences and shared knowledge that can be recalled when the same actors collaborate on a new project (Cattani et. al, 2011).

As another advantage of ties with past partners, we see that while responding to changing circumstances and to situations involving uncertainty, increased flexibility and adaptation capabilities can be obtained through repeated partnerships. Partners with deeper relationships are more likely to develop joint actions, mutually adapt to new situations (Holloway & Parmigiani, 2016) and will also be more likely to develop joint solutions to adaptation challenges (Zaheer & Venkatramanan, 1995). On a longitudinal multi-industry study on interfirm strategic alliances, Gulati (1995) shows that past alliances between two firms increase their propensity to form new alliances with each other. On a study of how those repeated partnerships affect revenue and profitability, Holloway & Parmigiani (2016) show that the depth (or strength) of prior relationships drive performance differences.

A third mechanism that effects project based organizations and project entrepreneurs in tie selection is the notion of inertia. Standard operating procedures and routines drive many organizational activities (Levitt & March, 1988). As Nelson and Winter (1982) also suggest, in most situations organizations start their search with past solutions, relying on historical experience. Path-dependence and such established routines may lead to “local search” especially within the pool of existing/past relationships.

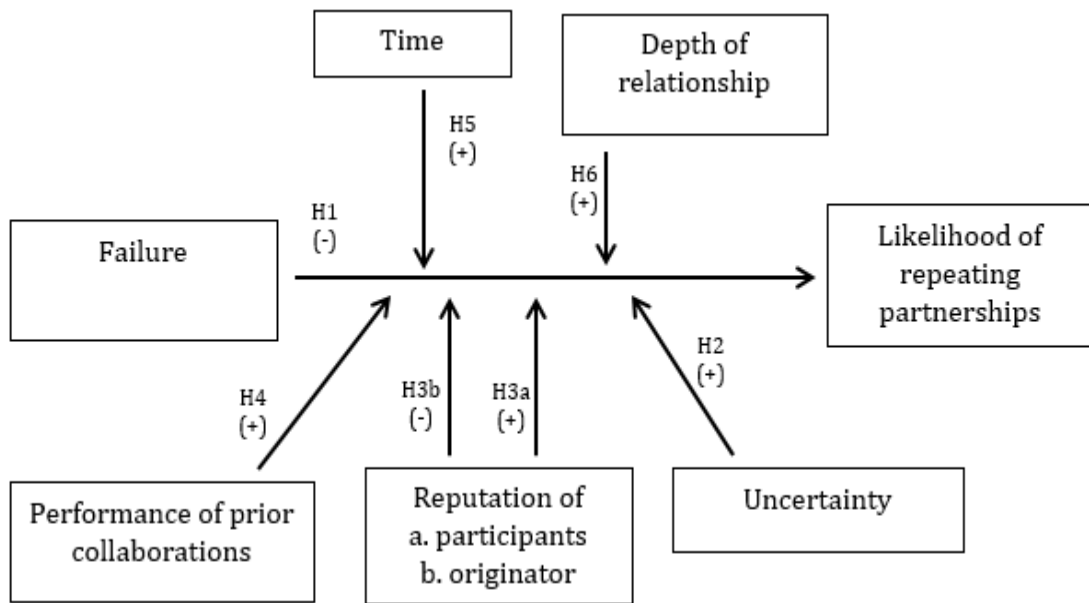
Finally, attribution research suggests that in ambiguous situations, the attitudes after failure between group members would be more favorable, as the time spent between the same group members increase, through the experience of joint discomfort (Streufert & Streufert, 1969). For deeper relationships, this mechanism may reduce the likelihood of failure attribution inside the group.

Given these mechanisms, in the case of searching for project partners, the advantages of established deep relationships are not likely to be overshadowed by recent failure incidents.

*Hypothesis 6: Depth of the relationship attenuates the relationship between failure and likelihood of future collaborations between participants.*

The research model presenting the proposed hypotheses is provided in Figure 2.4.

Figure 2.4 The research model



### **3. METHODS**

This section describes and discusses the methodology of the dissertation research. The methods section first describes the quantitative research methodology used and second, it outlines the data collection procedure and the characteristics of the data. Then the measures and their operationalizations are presented.

#### **3.1. Research Methodology**

To be able to test the proposed hypotheses, I use a correlational research design. The main goal of a correlational design is to determine the relationships between variables, and if a relationship is found to exist, to determine the regression equation that could be used make predictions to a population. In other words, findings from correlational research are used to determine prevalence and relationships among variables, and also to forecast events from the data. These studies are also known as *post facto* studies meaning that the research has been conducted after the phenomenon of interest has occurred naturally, without any intervention from the researcher.

To be able to test the proposed hypothesis, I use binary logistics models. The logit models are deemed appropriate when modeling which of the two alternatives occurs. Logistic regression analysis (LRA) allows building a regression model without the need to obey linearity, homoscedasticity, independence and normality (Tabachnick and Fidell, 1996). LRA is a type of analysis where the dependent variable is binary and the independent variables can be binary or continuous and they can coexist in the model.

### **3.1.1. Logistic Regression Assumptions**

A logistic regression model neither assumes the linearity in the relationship between the independent variables and the outcome variable, nor it requires normally distributed variables. It also doesn't assume homoscedasticity and has less stringent requirements than linear regression models (Sarkar et al., 2011). However, there are still some assumptions and requirements for using LRA (Hosmer & Lemeshow, 2000; Tabachnick & Fidell, 1996):

i. The missing values and outliers in the data needs to be reviewed and necessary corrections have to be made. Although this is not an assumption of LRA, the outliers / extreme values may be distorting the fit of the model leading to misinterpretation. For all categorical variables, it is suggested to have a frequency above 1% and the percentage of the cells less than 5% should not exceed a total of 20%.

ii. Multicollinearity occurs when one or more of the independent variables in the model can be approximately determined by some of the other independent variables. When there is multicollinearity, the estimated regression coefficients of the fitted model can be highly unreliable (Kleinbaum et al., 2002). Multicollinearity occurs when the correlations between independent variables are very high ( $r > .90$ ) (Tabachnick & Fidell, 1996) Any modeling strategy, including logistic regression which is highly sensitive to the correlation between independent variables, must check for possible multicollinearity.

iii. LRA assumes that the covariates and the log value of the dependent variable have linear relationship. This assumption can be satisfied by having a statistically significant relationship between the covariates and the log transformation. All of these steps will be checked for all hypothesis in the results section.

### **3.1.2. Interpretation of Moderated Logistic Regression Results**

The nonlinear nature of the logit models complicates the interpretation of the results. Reporting the sign and the significance levels of the coefficients is not sufficient, the marginal effect of the variable also needs to be studied (Hoetker, 2007). That is, how much a change in an independent variable changes the probability of the outcome measured by the dependent variable. Since the effect of a change in one variable depends

on the values of the other variables, interpreting logit results is not as straightforward as it is in OLS. Hoetker (2007) discusses in his paper that, in the empirical papers published in ten strategy journals that he reviewed, 65% offered no interpretation of the effect's magnitude and another 16% has done it incorrectly. The task gets even more complicated when there are interactions between the variables, like in my research model.

A significant interaction means that the effect of the covariate on the dependent variable differs across the range of the moderator variable. Moderated regression analysis is regarded as a superior analysis method than other methods where the subgroup based correlation coefficients are compared (Dawson & Richter, 2004). In aforementioned Hoetker's study, 64% of the papers had an incorrect or incomplete interpretation of the interactions between variables. The interaction effects cannot be evaluated by looking solely at the sign and magnitude of the interaction term coefficients as the model is nonlinear. The magnitude of the interaction effect is dependent on the covariates in the model and it can even have different signs for different observations (Ai & Norton, 2003). Interpreting the interaction requires plotting the relationship between the independent and the dependent variable at high and low values of the moderator. Although such graphs provide strong visualization tools for judging the nature of the relationships, they do not provide enough information on whether the interaction relationship is statistically significant. To be able to comment on the significance of the moderation relationship, the simple slopes of DV on IV at conditional values (e.g., high and low levels) of the moderator are calculated and then these slopes are tested to check if they differ significantly in predicting the dependent variable (Dawson & Richter, 2004).

I follow the recommendations presented in these papers to interpret the models. For each significant moderated logistic regression result, I will be providing the interaction plots to illustrate the slopes of DV on IV at high and low values of the moderator variable. When the moderator is a binary variable (e.g. hypothesis 2) the high and low values will be 1 and 0 respectively. When the moderator is a continuous variable (e.g. hypotheses 3a, 3b, 4, 5, 6) the high and low values will be +1/-1 standard deviation above/below the mean respectively.



### 3.2. Data Collection Procedure

Archival data of TV series projects is studied. Utilizing archives for collecting project data is quite common in creative industries, such as TV series and movie production (e.g. Manning & Sydow, 2011; Soda et al., 2004; Sorenson & Waguespack, 2006). Data is collected from publicly available archives and databases. Following databases were used to list all TV series within the given time period.

TV Dizisi:	<a href="https://www.dizisi.info.tr/">https://www.dizisi.info.tr/</a>
Sinema Veritabanı:	<a href="http://www.sinematurk.com/">http://www.sinematurk.com/</a>
Ratingler:	<a href="https://www.reytingler.biz/">https://www.reytingler.biz/</a>
Beyazperde:	<a href="http://www.beyazperde.com/diziler/">http://www.beyazperde.com/diziler/</a>
Diziler:	<a href="https://www.diziler.com/">https://www.diziler.com/</a>
Dizi Haberleri:	<a href="https://dizibilgi.tv/">https://dizibilgi.tv/</a>
Wikipedia:	<a href="https://tr.wikipedia.org/wiki/Kategori:T%C3%BCrk_televizyon_dizileri">https://tr.wikipedia.org/wiki/Kategori:T%C3%BCrk_televizyon_dizileri</a> <a href="https://tr.wikipedia.org/wiki/T%C3%BCrk_dizileri_listesi">https://tr.wikipedia.org/wiki/T%C3%BCrk_dizileri_listesi</a>

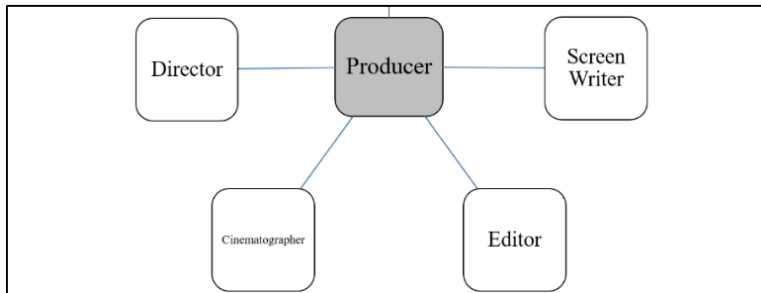
To obtain the missing information, an additional internet search is done on online magazines and newspapers for any news or articles about the specific project. After an extensive final search, the information still not obtained is coded as missing. The data set includes the 495 Turkish TV series broadcasted between the years 2007 and 2016. That is the complete population of TV series produced in that time period. The data consists of TV series' names, start and end dates, number of episodes, broadcasting TV channels, producers and the creative service providers (CSPs), such as screenwriters, editors, cinematographers and directors who are identified as critical project partners for the directors in the TV business (Manning & Sydow, 2011). The following table outlines the number of creative crew that took part in the projects over the observation period.

Table 3.1. Members of the cast and channels for the observation period

	Total	Average TV Series
Producers	227	0,5
Production Comp.	129	0,3
Directors	421	0,9
Screenwriters	642	1,3
Cinematographers	228	0,5
Editors	167	0,3
TV Channels	15	

Prior research also show that producers act as project entrepreneurs in the TV industry, by repeatedly initiating and organizing projects for client TV channels (Manning & Sydow, 2011). They are considered as the originators of the dyadic relationships. For each producer there are multiple dyads in a given project, one dyad per CSP. These dyads are the unit of analysis and are depicted in Figure 3.1.

Figure 3.1. Dyadic relationships



For series with more than one person on the same role, such as two directors, or three editors, all dyadic relationship combinations are coded separately. For the 495 TV series, there are a total of 4,015 dyads. 61 of these dyads are erased, since the same person appeared on both sides of the dyad, for instance, a producer also being the director of the same TV series. This is to prevent the artificial inflation of repeat collaborations (Zuckerman, 2004). The final number of dyads is therefore 3,954 for the given time period. The cases where the production company is owned by multiple producers will be handled by adding necessary controls. This possible effect will be detailed in the analysis section, subsection 4.16.

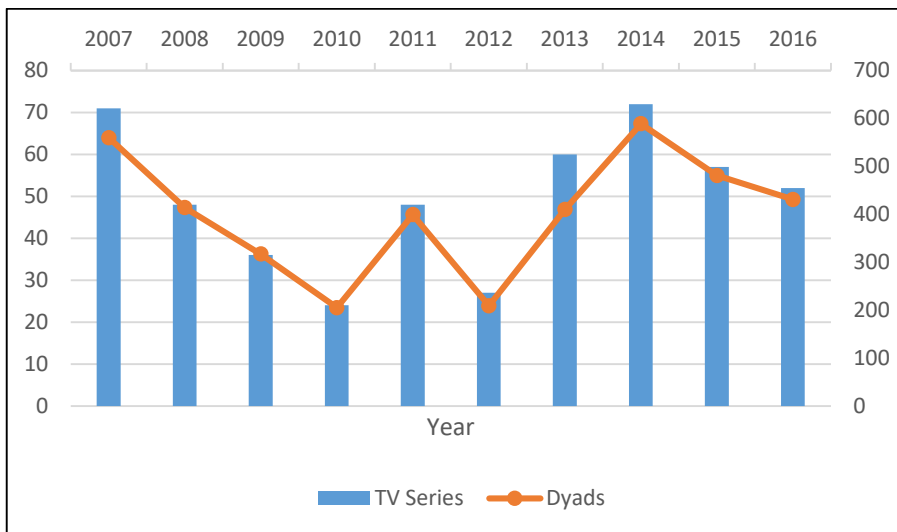
The data collection window is limited to 2016 as the industry is disrupted by the introduction of internet television and game changer players meeting Turkish audience. Increasing popularity of Netflix, as well as Apple TV, BluTV and Puhu TV has started to damage long-standing institutions by changing the habits of TV watchers. The audience with relatively higher socioeconomic status are especially vulnerable to the risk of switching preferences. As the major sources of advertising revenues, the A and B socioeconomic class ratings have changed, destabilizing the dynamics and the success criteria of the TV series aired on national channels. Therefore, I chose 2016 as the last

year of data collection, to make sure that the industry dynamics are relatively stable throughout the period analyzed.

Table 3.2. TV Series and dyadic relationships in the observation period

Year	# TV series	%	# Dyads	%
2007	71	14%	560	14%
2008	48	10%	414	10%
2009	36	7%	317	8%
2010	24	5%	205	5%
2011	48	10%	399	10%
2012	27	5%	209	5%
2013	60	12%	410	10%
2014	72	15%	589	15%
2015	57	12%	481	12%
2016	52	11%	431	11%
<b>Total</b>	<b>495</b>	<b>100%</b>	<b>4015</b>	<b>100%</b>

Figure 3.2. TV series and dyadic relationships in the observation period



### 3.3. Measures

#### 3.3.1. Dependent Variable

I utilize relationship dyads to measure collaborations, that is, the propensity to work with the same partner on the upcoming projects. I focus on the relationship dyads between the producer and the director, editor, cinematographer and the screen writer. My interviews suggest that these parties are the main actors in the formation of a project team. The producer is the decision maker of each dyad, as the decision to form the rest of the team is made by the producers acting as the owners of the project. The rest of the partners do have a right to accept or reject a project, they even can veto some of the other partners in rare circumstances. However, the final decision is made by the producer who funds the project. I examine the following four dyads for each series: producer-director, producer-screenwriter, producer-cinematographer, producer-editor. The “*repeat*” measure captures whether there are repeated dyadic relationships in another TV series. It is coded as 1 if the same two people worked together again following the focal dyadic relationship, and 0 otherwise.

#### 3.3.2. Independent Variable

TV series contracts are usually signed between the producers and the channels for 13 episodes, that corresponds to one spring, fall or summer term. Although the contracts are signed for a specific number of episodes, the channels have the right to terminate the contract at any time during the contract term. Success and failure will be determined using the number of episodes until the TV series has been withdrawn or completed. The assumption here is that as long as the series’ ratings are satisfactory and the TV channels consider them to be successful, they will keep the series on their broadcasting schedules. The unsuccessful series therefore will be removed from the scene, without fulfilling the initial contract term, and will be regarded as failures in my analysis. The “*fail*” binary

variable is coded as 1 if the project has not reached 13 episodes and will be coded as 0 if the project has reached 13 episodes and beyond, regarding them as successful.

### 3.3.3. Moderators

In similar studies, reputation of project partners is measured using the awards or nominations (Ferriani et al., 2009; Schwab & Miner, 2008). Since TV series industry has no such long standing awards to provide such data in our context, reputation continuous variable will be measured by past performance, the performance of the parties prior to the focal project. Models of reputation presume a tight coupling between individuals' past actions and future expectations (Delmestri et al. 2005). Following Fomburn & Shanley (1990), the higher the performance of a partner, the higher the reputation he enjoys. Therefore "*reprole1*" corresponds to the reputation of the chosen partner which is the average number of episodes of all TV series that s/he took part in. Similarly, "*reprole2*" corresponds to the reputation of the originator, and it will be measured by average number of episodes of all TV series projects that the producer has undertaken.

Uncertainty (*uncertainty*) is coded as a binary variable. As mentioned in the study context, there are two periods of uncertainty in the industry, the first one being the 10-month period of rating data unavailability in 2012 and the second one is in 2014, during the time period after the sampling universe definition change, shifting the target market characteristics. The TV series that started airing during these periods of uncertainty is coded as 1, while the rest is coded as 0.

Prior performance (*priorperform*) continuous variable defines the performance of prior collaborations between the parties of the dyad. It will be measured by the average number of episodes of all previous collaborations between the focal partners. Higher numbers would translate into more successful prior collaborations.

Time (*time*) continuous variable will be measured by calculating the days passed between the completion of the focal project and the start of the next project. Lower numbers would

mean that the next project was closer. I have also checked for cases where the same dyad worked on multiple projects at the same time, and no such cases were observed.

Depth (*depth*) of the dyadic relationships will be measured by the number of times the producer has chosen the same partner before the focal relationship. A relationship is therefore considered as a deeper relationship if it lasted over multiple projects.

#### **3.3.4. Control Variables**

Year (*year*) categorical variable will be used to control for the effect of year of broadcasting to eliminate any unforeseen conditions occurring specific to that time period. The start of the project is taken into consideration while coding the year.

TV Channel (*channel*) categorical variable will be used to control for the effect of the channel broadcasting the series.

During data collection, I have aimed to obtain more information regarding the budget of each production, revenues generated, broadcasting hours and awards received. Having these information would enable adding more controls in the model, or would allow for different operationalizations. However, these information were only available for a very limited portion of the projects through informal newspaper columns only.

## **4. RESULTS**

This section presents the current findings. It begins with descriptive statistics, followed by the procedure for removing extreme values to increase the reliability of the logit model. Then it reports the results of the binary logistics analysis. The section concludes by defining alternative operationalizations of the variables in order to increase the robustness of the findings.

### **4.1. Descriptive Statistics**

Data analysis has been performed using Stata (version 16). Missing values are excluded from the data for each measure before analysis. The number of observations varies according to the variables of the tested hypothesis. The frequency table for the independent variables is presented in Table 4.1.

The dyads that repeat their relationship after the focal dyadic relationship is 14% and the ones that terminate their relationship is 83%. The remaining 3% are the cases where the focal project was not completed at the time of data collection, therefore the decision of the partners was unknown. The dyadic relationships were 68% successful, reaching beyond 13 episodes, and 32% failed, terminated before the 13<sup>th</sup> episode. At the time of the project start, 13% of the time there was uncertainty in the market, whereas the remaining 87% was initiated with no uncertainty condition. Regarding the depth of the relationship, 89% of the dyads never worked together before, while the remaining 11% had worked before at least once before the focal project, as detailed in the frequency table.

Table 4.1. Frequency table

<b>Description</b>	<b>Outcome</b>	<b>Frequency</b>	<b>%</b>
Repeat decision	Not repeated	3297	83%
	Repeated	549	14%
	Unknown	108	3%
Fail / success outcome	Successful	2670	68%
	Failed	1284	32%
Uncertainty in the market	Yes	511	13%
	No	3443	87%
Depth of relationship	0	3526	89%
	1	287	7%
	2	78	2%
	3	38	1%
	4	13	0%
	5	3	0%
	6	3	0%
	7	1	0%
	8	1	0%
	9	1	0%
	10	1	0%
	11	1	0%
12	1	0%	
<b>Total</b>		3954	100%

Since the skewness and kurtosis values within the -1 and +1 range correspond to a normal distribution, the variables in the analysis are not normally distributed (Tabachnick and Fidell, 2013).

As detailed in section 3.1.1, the normality of the data is not a precondition for logistic regression, no further action is required. However, as the extreme values may result in lost accuracy in the analysis results, the necessary cleaning is done, and will be detailed further in the following section.



## 4.2. Handling Extreme Values

Extreme values, that is observations with outlying deviance residuals, may effect the accuracy of a logistic regression model. In empirical studies it has been concluded that in case of small samples, the influential outliers can be detected and removed as they can unduly influence the results of the analysis and lead to incorrect inferences. But as sample size increases, the detected outliers do not play any significant influence on the parameter estimates (Sarkar et al., 2011).

Standard Z scores are calculated to be able to identify the extreme values within the dataset. The observations with z scores out of the (-3,29, 3,29) range are noted. (Tabachnick & Fidell, 2013) The three continuous independent variables; *depth*, *reprole1* and *reprole2* had 27 outliers out of 3,954 total observations. These are removed from the data set to improve the accuracy of the results. The skewness and kurtosis of these three variables are presented in the following table.

Table 4.2. Skewness and kurtosis of continuous independent variables

Variable	Skewness (before)	Skewness (after)	Kurtosis (before)	Kurtosis (after)
Depth	7,17	4,14	80,40	19,56
Reprole1	6,58	2,03	81,81	6,03
Reprole2	2,91	1,64	15,78	4,10

Descriptive statistics and correlations for the variables are presented in Table 4.3 and Table 4.4 respectively. The histograms are provided in Figure 4.1.

Table 4.3. Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Repeat	3822	0,14	0,34	0	1
Fail	3927	0,32	0,46	0	1
Uncertainty	3927	0,13	0,33	0	1
Reprole1	2098	32,40	27,51	1	212
Reprole2	2171	28,95	21,17	1	143
Priorper	410	41,25	32,80	1	193
Time	413	538,47	568,90	3	3328
Depth	3927	0,15	0,51	0	4
Year	3927	5,61	3,08	1	10
Channel	3927	4,79	3,16	1	14

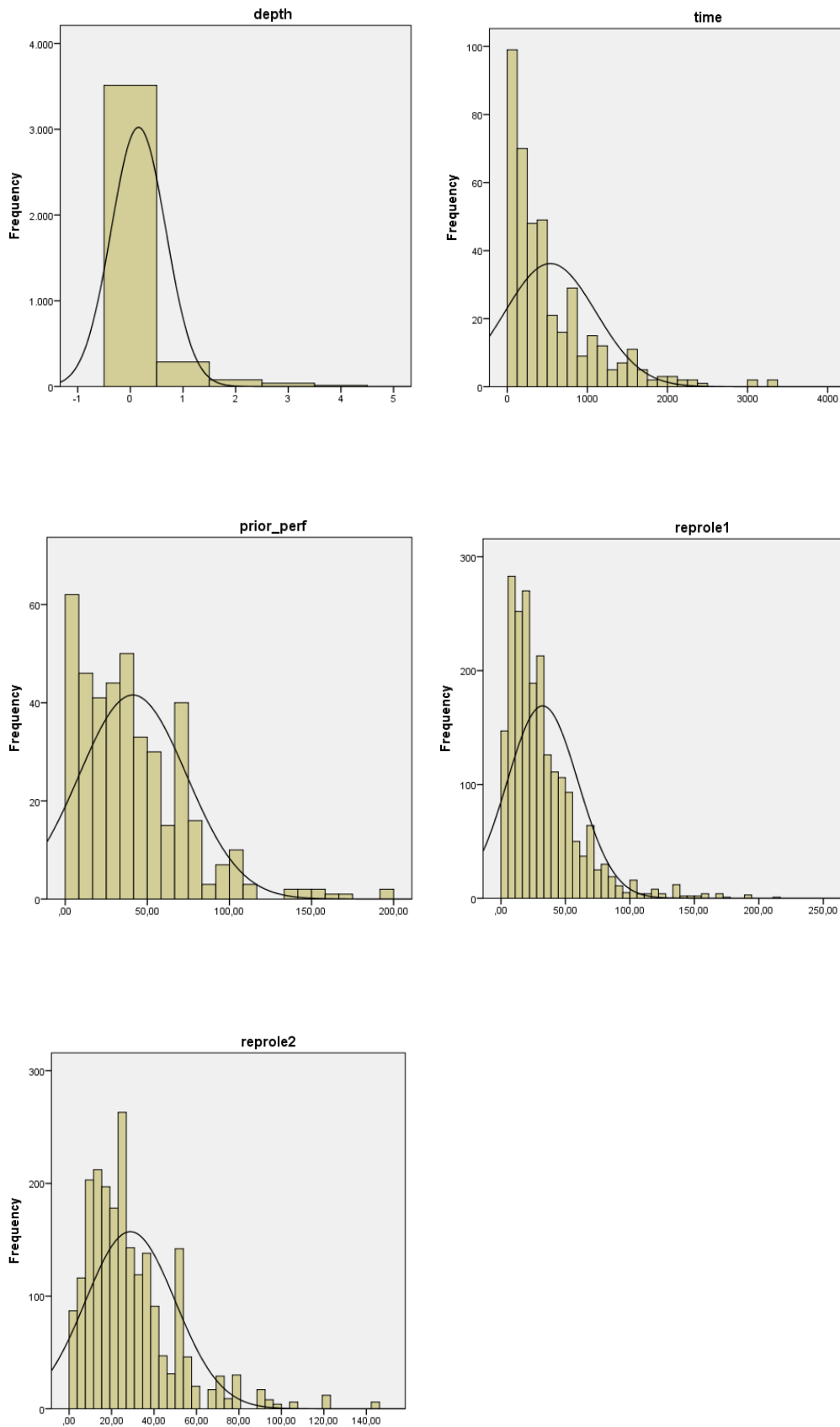
I also computed variance inflation factors (VIF) to assure that multicollinearity is not an issue between any of the variables. The VIFs average 2.8 ranging from 1.05 to 7.66. Since none of the values are above the standard value of 10, no multicollinearity is observed (Myers, 1990). Robust standard errors account for heteroskedasticity in a model's unexplained variation. That is, if the amount of variation in the dependent variable is correlated with the explanatory variables, robust standard errors can take this correlation into account. The analysis is done taking into consideration cluster robust standard errors. Clustered standard errors are a special kind of robust standard errors that account for heteroskedasticity across "clusters" of observations. The key assumption here is that the errors are uncorrelated across clusters while errors for individuals belonging to the same cluster may be correlated with each other (Cameron & Miller, 2015). For other related method articles, please see Abadie et al. (2017) and Lee & Steigerwald (2018). Since decision makers in the hypotheses are producers and they appear in multiple dyads, clustering is performed to cater for any possible effects of the project owner.

The analyses are done using two data sets, one being the subset of the other. H1, H2, H3a, H3b, H6 are tested on the main data set, while H4 and H5 are tested on a limited set as these hypotheses require a previous relationship between the participants. Therefore these two hypothesis will utilize a subset of the data where the participants had prior relationships. The results will be provided in two separate tables.

Table 4.4. Correlations table

		<b>Repeat</b>	<b>Fail</b>	<b>Uncertainty</b>	<b>Reprole1</b>	<b>Reprole2</b>	<b>Priorper</b>	<b>Time</b>	<b>Depth</b>	<b>Year</b>	<b>Channel</b>
1	<b>Repeat</b>	1									
2	<b>Fail</b>	-0,0908 ***	1								
3	<b>Uncertainty</b>	-0,0435	0,0398	1							
4	<b>Reprole1</b>	0,0019	-0,0204	0,0686	1						
5	<b>Reprole2</b>	0,0136	-0,0048	0,1909 ***	0,1831 ***	1					
6	<b>Priorper</b>	-0,0596	0,0333	0,2229 ***	0,7954 ***	0,6348 ***	1				
7	<b>Time</b>	-0,1235	-0,074	-0,0377	-0,0258	0,0737	0,0087	1			
8	<b>Depth</b>	0,2374 ***	0,0536 *	0,0498	0,0911 ***	0,1036 ***	0,0178	-0,0817	1		
9	<b>Year</b>	-0,114 ***	-0,0012	0,2138 ***	0,2532 ***	0,1984***	0,1263	0,2509 ***	0,1436 ***	1	
10	<b>Channel</b>	-0,0734***	-0,0654 **	0,0157	-0,0304	0,0538	0,0366	0,0212	-0,0788 ***	-0,0545	1
	* p<0.05 ** p<0.01 *** p<0.001										

Figure 4.1. Histograms of continuous variables



### **4.3. Hypothesis Testing**

Hypotheses H1, H2, H3a, H3b, H6 are tested using the full dataset. Since testing for moderating effects of time and depth by nature necessitates a previous relationship between the partners, they are not included in the first set of models in order not to exclude first time dyads from the database. Therefore, H4 and H5 will be tested separately using the limited dataset with only dyads having prior relationships. In order to check for robustness, H1, H2, H3a, H3b and H6 will be retested with the limited dataset as well, to check if they specifically hold for dyads possessing prior relationships.

#### **4.3.1. Analysis Results with Full Dataset**

Table 4.5 provides the results for 6 models. Model 1 tests the direct effect of failure on propensity to repeat relationships controlling for year and channel (hypothesis 1). The moderating effects are tested via interaction variables that are added one by one to the subsequent models, removing the previously tested interaction. This is to avoid any possible multicollinearity between the dependent variables. Hence, Model 2 tests for the moderating effect of uncertainty on the relationship between failure and propensity to repeat relationships (hypothesis 2). Model 3 tests for the moderating effect of participant reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3a). Model 4 tests for the moderating effect of project owner reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3b). And finally, Model 5 tests for the moderating effect of depth of relationship between the owner and the participants on the relationship between failure and propensity to repeat relationships (hypothesis 6). Model 6 presents the fully specified model. All models include controls for the channel and the year, except for Model 2 as explained below.

For interaction hypotheses that are found to be significant in the model, to be able to comment on whether the hypotheses are supported by the shape of the interaction, the simple slopes of DV on IV at conditional values (e.g., high and low levels) of the moderator are calculated and then these slopes are tested to check if they differ significantly in predicting the dependent variable (Dawson & Richter, 2004).

In Model 1, coefficient of the *fail* dependent variable is negative ( $\beta=-0,74$ ) and it is significant ( $p=0.001$ ) that confirms hypothesis 1, indicating that failure in a project decreases the propensity of repeated collaborations between participants. Odds ratio ( $\exp(\beta)=0,47$ ) indicates that it is 0,47 times less likely to repeat collaborations after a failed project, as opposed to a successful project. Figure 4.2.1 depicts the relationship.

In Model 2, the interaction of uncertainty and failure is tested. This model excludes the control variable for year, as uncertainty happens in two specific years, and adding a year control variable would distort the results. The coefficient of the interaction variable is negative ( $\beta=-0,41$ ) and it is insignificant. Hence, hypothesis 2 is refuted. Uncertainty in the market does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 3, the interaction of participant reputation and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.005$ ) and it is insignificant. Hence, hypothesis 3a is refuted. Reputation of the project participant does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 4, the interaction of project owner reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.004$ ) and insignificant. Hence, hypothesis 3b is refuted. Reputation of the project owner does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

Finally in Model 5, the interaction of relationship frequency of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.23$ ) and is significant ( $p=0.031$ ). As also seen in the marginal plots diagram in Figure 4.2.2, when relationship

depth (frequency) is higher, the probability of repeated collaborations in case of a failure drops with a smaller slope than it is the case with lower relationship depth. The slope test produced significant results ( $p=0.03$ ) as well, hence, hypothesis 6 is supported. Depth of the relationship between project participants has a significant moderating effect, attenuating the relationship between failure and propensity to repeat collaboration between the same partners.

Table 4.5. Model summary with full dataset

	<b>Model 1 H1</b>	<b>Model 2 H2</b>	<b>Model 3 H3a</b>	<b>Model 4 H3b</b>	<b>Model 5 H6</b>	<b>Model 6</b>
Failure	<b>-0,74 **</b>	<b>-0,72 **</b>	<b>-0,91 **</b>	<b>-0,62 *</b>	<b>-0,60 **</b>	<b>-0,65 *</b>
	(0,23)	(0,22)	(0,28)	(0,38)	(0,25)	(0,40)
Uncertainty	-0,61	-0,25	-0,63	-0,62	-0,62	-0,59
	(0,50)	(0,40)	(0,50)	(0,51)	(0,51)	(0,57)
Participant rep.	0,002	0,002	0,001	0,002	0,002	0,001
	(0,003)	(0,003)	(0,003)	(0,003)	(0,003)	(0,003)
Originator rep.	0,00	0,003	0,00	0,01	0,00	0,001
	(0,004)	(0,004)	(0,004)	(0,004)	(0,004)	(0,005)
Depth	<b>0,85 **</b>	<b>0,90 ***</b>	<b>0,85 **</b>	<b>0,85 **</b>	<b>0,95 **</b>	<b>0,95 ***</b>
	(0,11)	(0,12)	(0,11)	(0,11)	(0,17)	(0,16)
Failure x Uncertainty		-0,41				-0,12
		(0,65)				(0,68)
Failure x Participant rep.			0,005			0,006
			(0,005)			(0,005)
Failure x Originator rep.				-0,004		-0,004
				(0,009)		(0,009)
Failure x Depth					<b>-0,23 **</b>	-0,13
					(0,27)	(0,22)
N	1238	1238	1238	1238	1238	1238
R2	13,5	9,53	13,5	13,5	13,7	13,9
Slope Test					<b>0,09 **</b>	
					(0,04)	
Year fixed effects	Yes	No	Yes	Yes	Yes	Yes
Channel fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Standard errors in parentheses Slope test coefficients indicate contrast $dy/dx$ ** $p < 0.05$ (95% CL) * $p < 0.10$ (90% CL)						

Figure 4.2.1. Predicted probabilities graph for hypothesis 1 – full dataset

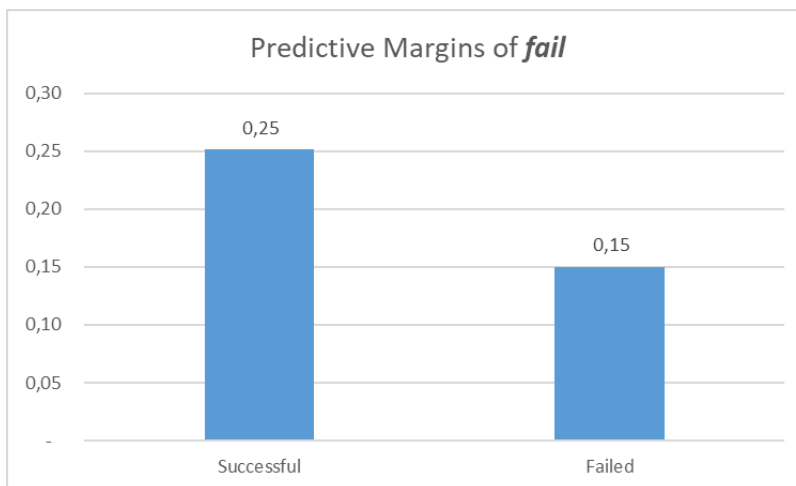
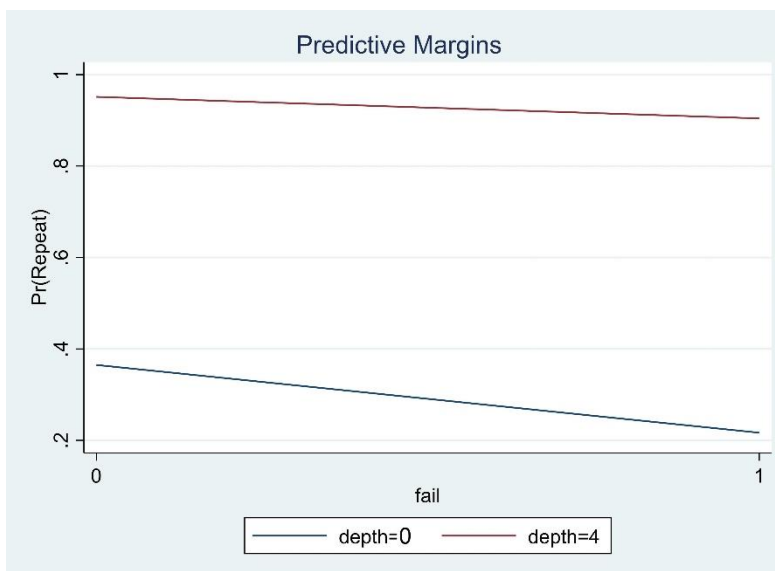


Figure 4.2.2. Predicted probabilities graph for hypothesis 6 – full dataset



#### 4.3.2. Analysis Results with Limited Dataset

Limited dataset includes only the dyads with previous relationships with each other. This dataset is used to specifically test for the moderating effects of prior performance (H4) and the moderating effect of time passed after the most recent collaboration (H5). However, in order to check for robustness of previous findings on H1, H2, H3a, H3b and



H6, these hypotheses will be retested with the limited dataset as well, to check if they specifically hold for dyads possessing prior relationships.

Table 4.6 provides the results for 8 models. Model 1 tests the direct effect of failure on propensity to repeat relationships controlling for year and channel (hypothesis 1). The moderating effects are tested via interaction variables that are added one by one to the subsequent models, removing the previously tested interaction. This is to avoid any possible multicollinearity between the dependent variables. Hence, Model 2 tests for the moderating effect of uncertainty on the relationship between failure and propensity to repeat relationships (hypothesis 2). Model 3 tests for the moderating effect of participant reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3a). Model 4 tests for the moderating effect of project owner reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3b). Model 5 tests for the moderating effect of prior performance on the relationship between failure and propensity to repeat relationships (hypothesis 4). Model 6 tests for the moderating effect of time passed after the most recent collaboration on the relationship between failure and propensity to repeat relationships (hypothesis 5). And finally Model 7 tests for the moderating effect of depth of relationship between the owner and the participants on the relationship between failure and propensity to repeat relationships (hypothesis 6). Model 8 presents the fully specified model. All models include controls for the channel and the year, except for Model 2. To test interaction hypothesis following the logit results, slope tests are performed as discussed earlier.

In Model 1, coefficient of the *fail* dependent variable is negative ( $\beta=-0,92$ ) and it is significant ( $p=0.009$ ) that confirms hypothesis 1, indicating that failure in a project decreases the propensity of repeated collaborations between participants. Odds ratio ( $\exp(\beta)=0,39$ ) indicates that it is 0,39 times less likely to repeat collaborations after a failed project. Relationship is depicted in Figure 4.3.

In Model 2, the interaction of uncertainty and failure is tested. This model excludes the control variable for year, as uncertainty happens in two specific years, and adding a year control variable would distort the results. The coefficient of the interaction variable is negative ( $\beta=-0,16$ ) and it is insignificant. Hence, hypothesis 2 is refuted with the limited data as well. Uncertainty in the market does not have a significant moderating effect on

the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 3, the interaction of participant reputation and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.001$ ) and it is insignificant. Hence, hypothesis 3a is refuted. Reputation of the project participant does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 4, the interaction of project owner reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.004$ ) and insignificant. Hence, hypothesis 3b is refuted. Reputation of the project owner does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 5, the interaction of prior performance of the partners and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.01$ ) and insignificant. Hence, hypothesis 4 is refuted. Level of prior performance between the project partners does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

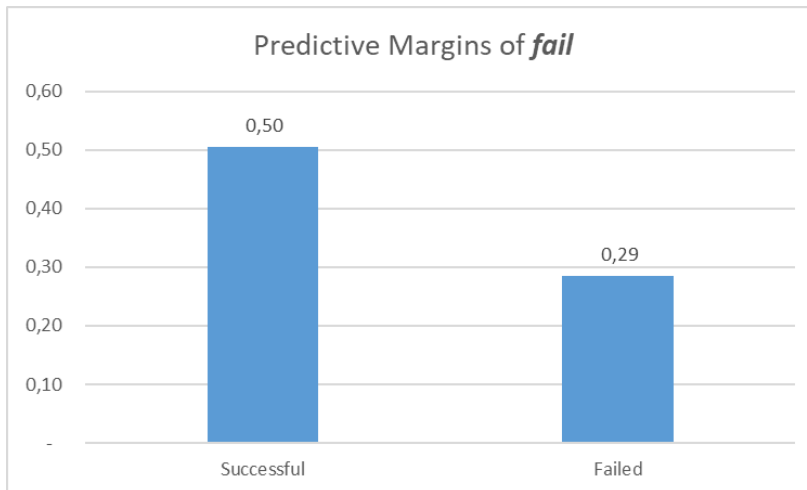
In Model 6, the interaction of time passed after the collaboration, and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.001$ ) and it is insignificant. Hence, hypothesis 5 is refuted. Time passed after the project does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

Finally in Model 7, the interaction of relationship frequency of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.054$ ) and insignificant. Hence, hypothesis 6 is refuted. Depth of the relationship between project participant does not have a significant moderating effect with the limited dataset, different from the previous test with full dataset.

Table 4.6 Model summary with limited dataset

	Model 1 H1	Model 2 H2	Model 3 H3a	Model 4 H3b	Model 5 H4	Model 6 H5	Model 7 H6	Model 8
Failure	<b>-0,92 **</b>	<b>-0,91 **</b>	<b>-1,37 **</b>	<b>-1,23 *</b>	<b>-1,46 **</b>	<b>-1,07 **</b>	-0,54	-1,09
	(0,36)	(0,31)	(0,54)	(0,66)	(0,63)	(0,63)	(0,77)	(1,08)
Uncertainty	-0,81	-0,46	-0,85	-0,8	-0,84	-0,84	-0,82	-0,85
	(0,72)	(0,53)	(0,73)	(0,72)	(0,73)	(0,70)	(0,71)	(0,83)
Participant rep.	0,005	0,002	0,001	0,005	0,005	0,004	0,004	0,004
	(0,007)	(0,008)	(0,008)	(0,007)	(0,007)	(0,007)	(0,007)	(0,007)
Originator rep.	-0,01	-0,02	-0,008	0,01	-0,008	-0,011	-0,011	-0,005
	(0,01)	(0,01)	(0,01)	(0,01)	(0,01)	(0,01)	(0,01)	(0,012)
Prior performance	0,005	0,003	0,003	0,005	-0,001	0,005	0,005	0,002
	(0,010)	(0,009)	(0,010)	(0,010)	(0,007)	(0,010)	(0,010)	(0,009)
Time	0,001	-0,001	-0,001	-0,001	-0,001	-0,001	-0,001	-0,001
	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)
Depth	<b>0,47 **</b>	<b>0,36 *</b>	<b>0,47 **</b>	<b>0,47 **</b>	<b>0,46 **</b>	<b>0,46 **</b>	<b>0,59 *</b>	<b>0,56 *</b>
	(0,19)	(0,21)	(0,19)	(0,19)	(0,19)	(0,19)	(0,33)	(0,31)
Failure x Uncertainty		-0,16						-0,12
		(0,88)						(0,92)
Failure x Participant rep.			0,01					0,001
			(0,01)					(0,013)
Failure x Originator rep.				-0,004				-0,005
				(0,009)				(0,012)
Failure x Prior perform					0,01			0,015
					(0,01)			(0,017)
Failure x Time						0,001		0,001
						(0,001)		(0,001)
Failure x Depth							-0,26	-0,20
							(0,47)	(0,45)
N	289	299	289	289	289	289	289	289
R2	14,1	14,1	14,45	14,17	14,6	14,15	14,23	14,78
Year fixed effects	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Channel fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Standard errors in parentheses								
Slope test coefficients indicate contrast dy/dx								
** p < 0.05 (95% CL) * p < 0.10 (90% CL)								

Figure 4.3. Predicted probabilities graph for hypothesis 1 – limited dataset



Following table provides a summary of the findings from the analysis, along with the definition of relationships proposed in the research model.

Table 4.7. Summary of findings

<b>H</b>	<b>Description</b>	<b>Full Dataset</b>	<b>Limited Dataset</b>
<b>1</b>	Direct effect of fail/success	<b>Supported</b>	<b>Supported</b>
<b>2</b>	Moderating effect of uncertainty	Refuted	Refuted
<b>3a</b>	Moderating effect of partner's reputation	Refuted	Refuted
<b>3b</b>	Moderating effect of originator's reputation	Refuted	Refuted
<b>4</b>	Moderating effect of prior performance	---	Refuted
<b>5</b>	Moderating effect of time	---	Refuted
<b>6</b>	Moderating effect of relationship depth	<b>Supported</b>	Refuted

## **4.4. Alternative Operationalizations**

In order to check for the robustness of the findings, additional analysis are performed. These analysis will be outlined in the following two subsections. The alternative operationalizations will be as follows; (i) limited dyadic relationships between producer and the director (ii) limited tv channels

### **4.4.1. Limiting Dyadic Relationships**

One of the main themes of the industry interviews outlined in section 2.3 was the project design stage. The interviewees mentioned that the decisions regarding the creative crew selection were usually made by the producer. However, it was also stated that more seasoned directors also had the opportunity to bring along their team, or at least comment on the selection process. Since throughout the analysis, the producer is considered to be the only decision maker, to make sure that this is the case, additional analysis is performed excluding the remaining creative crew selection and only considering the selection of the director. Therefore, the dyads in this version of analysis are only “producer – director”. All other operationalizations of the original model are kept as they are. Table 4.8 summarizes the descriptive statistics after the outliers are removed, using the same procedure that has been applied to the main model.

Table 4.8 Descriptive statistics (limited dyads)

Variable	Obs	Mean	Std. Dev.	Min	Max
Repeat	955	0,15	0,35	0	1
Fail	979	0,31	0,46	0	1
Uncertainty	979	0,12	0,33	0	1
Reprole1	531	34,61	27,34	1	174
Reprole2	530	29,18	21,39	1	143
Priorper	104	42,25	30,68	1	174
Time	105	471,39	425,07	3	1814
Depth	979	0,16	0,55	0	4
Year	979	5,62	3,04	1	10
Channel	979	5,02	3,28	1	14

#### 4.4.1.1. Analysis Results with Full Dataset

Table 4.9 provides the results for 6 models. Model 1 tests the direct effect of failure on propensity to repeat relationships controlling for year and channel (hypothesis 1). The moderating effects are tested via interaction variables that are added one by one to the subsequent models, removing the previously tested interaction. This is to avoid any possible multicollinearity between the dependent variables. Hence, Model 2 tests for the moderating effect of uncertainty on the relationship between failure and propensity to repeat relationships (hypothesis 2). Model 3 tests for the moderating effect of participant reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3a). Model 4 tests for the moderating effect of project owner reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3b). And finally Model 5 tests for the moderating effect of depth of relationship between the owner and the participants on the relationship between failure and propensity to repeat relationships (hypothesis 6). Model 6 presents the fully specified model. All models include controls for the channel and the year, except for Model 2. To test interaction hypothesis following the logit results, slope tests are performed for variables that are found significant, as discussed earlier.

In Model 1, coefficient of the *fail* dependent variable is negative ( $\beta=-1,34$ ) and it is significant ( $p=0.000$ ) that confirms hypothesis 1, indicating that failure in a project

decreases the propensity of repeated collaborations between participants. Odds ratio ( $\exp(\beta)=0,26$ ) indicates that it is 0,26 times less likely to repeat collaborations after a failed project, as opposed to a successful project. Figure 4.4.1 depicts the relationship.

In Model 2, the interaction of uncertainty and failure is tested. This model excludes the control variable for year, as uncertainty happens in two specific years, and adding a year control variable would distort the results. The coefficient of the interaction variable is negative ( $\beta=-0,18$ ) and it is insignificant. Hence, hypothesis 2 is refuted. Uncertainty in the market does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 3, the interaction of participant reputation and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.004$ ) and significant. However, the relationship direction is not as suggested, it is actually the opposite of the proposal. As also seen in the marginal plots diagram in Figure 4.4.2, when participant reputation is higher (mean+1sd), the probability of repeated collaborations in case of a failure drops with a slightly larger slope than it is the case with lower reputation (mean-1sd). To check whether this is a significant effect, a slope test is performed. The slope test produced partially significant results ( $p=0.072$ ), however the direction of the relationship is reverse. Reputation of the project participant amplifies the relationship between failure and propensity to repeat collaboration between the same partners. Hence, hypothesis 3a is refuted.

In Model 4, the interaction of project owner reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.012$ ) and it is insignificant. Hence, hypothesis 3b is refuted. Reputation of the project owner does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

Finally in Model 5, the interaction of relationship frequency of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.009$ ) and insignificant. Hence, hypothesis 6 is refuted. Depth of the relationship between project participant does not have a significant moderating effect on relationship between failure and propensity to

repeat collaboration between the same partners, different from the original operationalization.

Table 4.9 Model summary with full dataset (limited dyads)

	<b>Model 1 H1</b>	<b>Model 2 H2</b>	<b>Model 3 H3a</b>	<b>Model 4 H3b</b>	<b>Model 5 H6</b>	<b>Model 6</b>
Failure	<b>-1,34 ***</b>	<b>-1,21 ***</b>	<b>-1,16 ***</b>	<b>-0,98 *</b>	<b>-1,27 **</b>	<b>-0,87 **</b>
	(0,27)	(0,36)	(0,57)	(0,59)	(0,43)	(0,62)
Uncertainty	-0,04	-0,43	-0,04	-0,03	-0,04	-0,05
	(0,64)	(0,40)	(0,64)	(0,65)	(0,64)	(0,75)
Participant rep.	0,007	0,001	0,008	0,007	0,007	0,008
	(0,005)	(0,005)	(0,005)	(0,005)	(0,005)	(0,005)
Originator rep.	0,00	0,004	0,00	0,002	0,00	0,002
	(0,008)	(0,008)	(0,008)	(0,010)	(0,008)	(0,009)
Depth	<b>0,89 ***</b>	<b>0,89 ***</b>	<b>0,89 ***</b>	<b>0,89 ***</b>	<b>0,92 ***</b>	<b>0,92 ***</b>
	(0,18)	(0,19)	(0,19)	(0,18)	(0,28)	(0,27)
Failure x Uncertainty		-0,18				0,78
		(0,74)				(0,86)
Failure x Participant rep.			<b>0,004 *</b>			0,002
			(0,010)			(0,011)
Failure x Originator rep.				-0,012		-0,011
				(0,015)		(0,017)
Failure x Depth					-0,09	-0,07
					(0,41)	(0,41)
N	309	309	309	309	309	309
R2	20,86	11,71	20,91	20,98	20,87	21
Year fixed effects	Yes	No	Yes	Yes	Yes	Yes
Channel fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Slope Test			<b>-0,03 *</b>			
			(0,015)			
Standard errors in parentheses						
Slope test coefficients indicate contrast dy/dx						
*** p<0.01 (99% CL) ** p < 0.05 (95% CL) * p < 0.10 (90% CL)						



Figure 4.4.1. Predicted probabilities graph for hypothesis 1 – full dataset

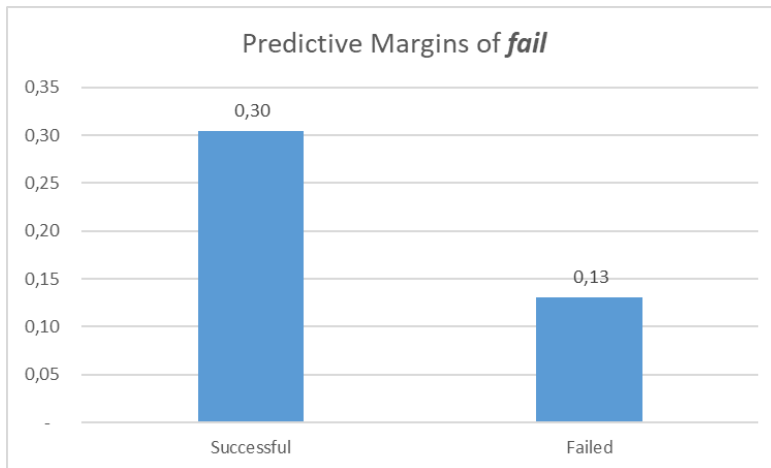
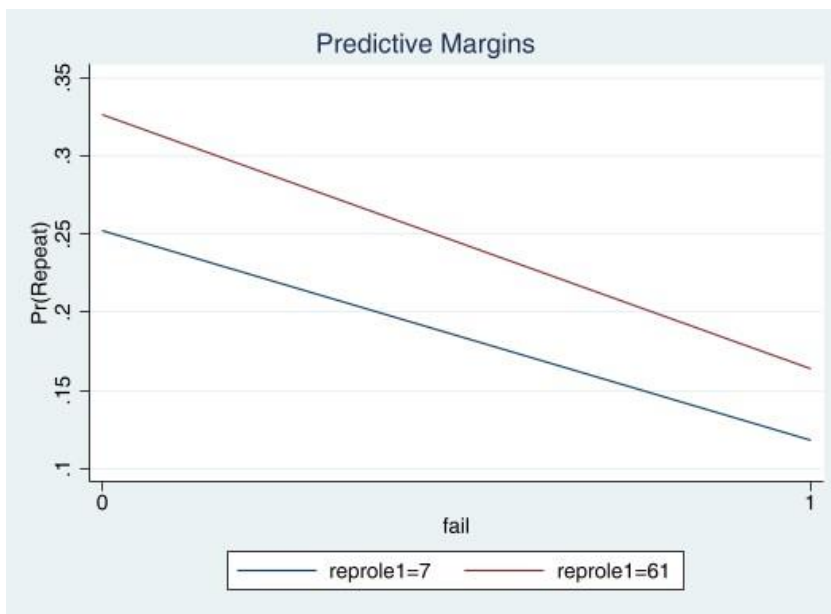


Figure 4.4.2. Predicted probabilities graph for hypothesis 3a – full dataset



#### 4.4.1.2 Analysis Results with Limited Dataset

Limited dataset includes only the dyads with previous relationships with each other. This dataset is used to specifically test for the moderating effects of prior performance (H4) and the moderating effect of time passed after the most recent collaboration (H5). However, in order to check for robustness of previous findings on H1, H2, H3a, H3b and H6, these hypotheses will be retested with the limited dataset as well, to check if they specifically hold for dyads possessing prior relationships.

Table 4.10 provides the results for 8 models. Model 1 tests the direct effect of failure on propensity to repeat relationships controlling for year and channel (hypothesis 1). The moderating effects are tested via interaction variables that are added one by one to the subsequent models, removing the previously tested interaction. This is to avoid any possible multicollinearity between the dependent variables. Hence, Model 2 tests for the moderating effect of uncertainty on the relationship between failure and propensity to repeat relationships (hypothesis 2). Model 3 tests for the moderating effect of participant reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3a). Model 4 tests for the moderating effect of project owner reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3b). Model 5 tests for the moderating effect of prior performance on the relationship between failure and propensity to repeat relationships (hypothesis 4). Model 6 tests for the moderating effect of time passed after the most recent collaboration on the relationship between failure and propensity to repeat relationships (hypothesis 5). And finally Model 7 tests for the moderating effect of depth of relationship between the owner and the participants on the relationship between failure and propensity to repeat relationships (hypothesis 6). Model 8 presents the fully specified model. All models include controls for the channel and the year, except for Model 2. To test interaction hypothesis following the logit results, slope tests are performed as discussed earlier.

In Model 1, coefficient of the *fail* dependent variable is negative ( $\beta=-2,04$ ) and it is significant ( $p=0.026$ ) that confirms hypothesis 1, indicating that failure in a project decreases the propensity of repeated collaborations between participants. Odds ratio

( $\exp(\beta)=0,13$ ) indicates that it is 0,13 times less likely to repeat collaborations after a failed project, as opposed to a successful project Relationship is depicted in Figure 4.5.

In Model 2, the interaction of uncertainty and failure is tested. This model excludes the control variable for year, as uncertainty happens in two specific years, and adding a year control variable would distort the results. The coefficient of the interaction variable is positive ( $\beta=1,50$ ) and it is insignificant. Hence, hypothesis 2 is refuted. Uncertainty in the market does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 3, the interaction of participant reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.041$ ) and insignificant. Hence, hypothesis 3a is refuted. Reputation of the project participant does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 4, the interaction of project owner reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.02$ ) and insignificant. Hence, hypothesis 3b is refuted. Reputation of the project owner does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 5, the interaction of prior performance of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.033$ ) and insignificant. Hence, hypothesis 4 is refuted. Level of prior performance between the project partners does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 6, the interaction of time passed after the collaboration and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.02$ ) and it is insignificant. Hence, hypothesis 5 is refuted. Time passed after the project does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

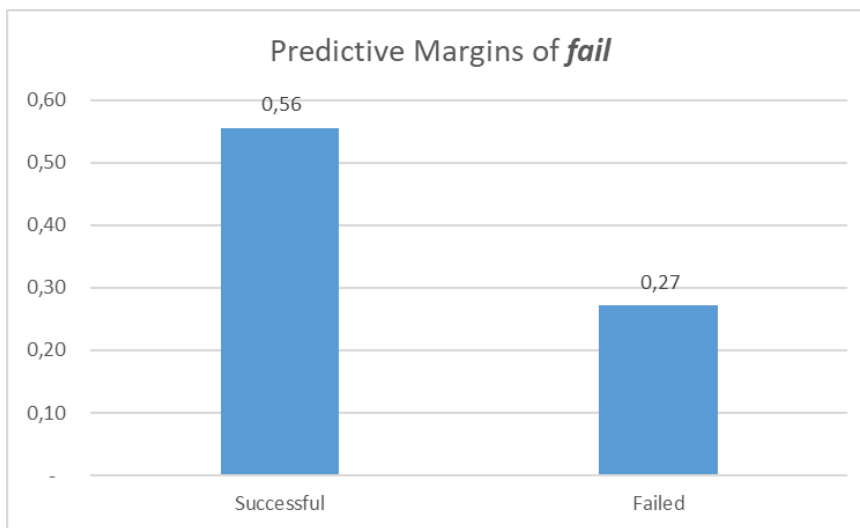
Finally in Model 7, the interaction of relationship frequency of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.036$ ) and it is insignificant. Hence, hypothesis 6 is refuted. Depth of the relationship between project participant does not have a significant moderating effect with the limited dataset either.

Table 4.10 Model summary with limited dataset (limited dyads)

	Model 1 H1	Model 2 H2	Model 3 H3a	Model 4 H3b	Model 5 H4	Model 6 H5	Model 7 H6	Model 8
Failure	<b>-2,04 **</b>	<b>-2,37 **</b>	-0,40	-1,31	-0,87	<b>-3,21 *</b>	-2,10	-2,18
	(0,92)	(0,75)	(1,20)	(1,91)	(0,88)	(1,72)	(1,60)	(3,88)
Uncertainty	1,44	-1,14	1,78	1,67	1,74	1,01	1,44	0,31
	(2,11)	(0,97)	(1,86)	(2,32)	(1,99)	(1,99)	(2,14)	(2,04)
Participant rep.	0,017	0,03	0,047	0,021	0,023	0,021	0,017	0,033
	(0,019)	(0,02)	(0,038)	(0,023)	(0,025)	(0,022)	(0,02)	(0,048)
Originator rep.	-0,017	-0,02	-0,038	-0,016	-0,038	-0,021	-0,019	-0,053
	(0,02)	(0,02)	(0,026)	(0,022)	(0,024)	(0,023)	(0,021)	(0,038)
Prior performance	-0,013	0,019	-0,006	-0,014	-0,012	-0,015	-0,013	-0,016
	(0,018)	(0,017)	(0,02)	(0,02)	(0,026)	(0,021)	(0,019)	(0,046)
Time	0,001	-0,001	-0,001	-0,001	-0,001	-0,002	-0,001	-0,003
	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)
Depth	0,45	0,11	0,41	0,42	0,44	0,51	0,44	0,83
	(0,47)	(0,31)	(0,49)	(0,51)	(0,48)	(0,56)	(0,50)	(0,74)
Failure x Uncertainty		1,50						2,20
		(1,24)						(2,35)
Failure x Participant rep.			-0,41					-0,029
			(0,33)					(0,044)
Failure x Originator rep.				-0,02				-0,016
				(0,05)				(0,046)
Failure x Prior perform					-0,033			-0,021
					(0,025)			(0,054)
Failure x Time						0,02		0,02
						(0,02)		(0,023)
Failure x Depth							0,036	0,45
							(0,78)	(0,66)
N	66	76	66	66	66	66	66	66
R2	37,43	37,71	39,1	37,58	38,59	38,98	37,43	40,96
Year fixed effects	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Channel fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses  
Slope test coefficients indicate contrast dy/dx  
\*\* p < 0.05 (95% CL) \* p < 0.10 (90% CL)

Figure 4.5. Predicted probabilities graph for hypothesis 1 – limited dataset



For the set of analysis with the revised dyadic relationships, following table provides a summary of the findings from the analysis, along with the nature of relationships in the research model.

Table 4.11. Summary of findings (limited dyads)

<b>H</b>	<b>Description</b>	<b>Full Dataset</b>	<b>Limited Dataset</b>
<b>1</b>	Direct effect of fail/success	<b>Supported</b>	<b>Supported</b>
<b>2</b>	Moderating effect of uncertainty	Refuted	Refuted
<b>3a</b>	Moderating effect of partner's reputation	Refuted	Refuted
<b>3b</b>	Moderating effect of originator's reputation	Refuted	Refuted
<b>4</b>	Moderating effect of prior performance	---	Refuted
<b>5</b>	Moderating effect of time	---	Refuted
<b>6</b>	Moderating effect of relationship depth	Refuted	Refuted

#### 4.4.2. Limiting TV Channels

One of the main assumptions of the proposed model is that ratings are used as a performance criteria by the TV channels and they are the most important determinant of the project's destiny. This assumption depends on the premise that a non-successful project is not preferred by the audience, and therefore does not get sufficient ratings, leading to an early final. However, for small players of the TV industry, as well as TRT, the government owned channel, that may not always be case. It has been indicated during the interviews that it is possible to see projects that are quite low ranked in ratings but continuing for quite some time. The performance criteria for these channels is not as strict as the top channels competing among themselves. Therefore this version of the analysis is performed excluding these channels and using only the projects broadcasted on the competitive TV channels with proper performance evaluation criteria. These channels are the same "top five" suggested by all of the interviewees (ATV, Kanal D, Show TV, Star TV, Fox TV). All other operationalizations of the original model are kept as they are. Table 4.12 summarizes the descriptive statistics after the outliers are removed, using the same procedure that has been applied to the main dataset.

Table 4.12. Descriptive statistics (limited channels)

Variable	Obs	Mean	Std. Dev.	Min	Max
Repeat	3008	0,15	0,36	0	1
Fail	3097	0,35	0,48	0	1
Uncertainty	3097	0,13	0,34	0	1
Reprole1	1707	32,46	25,98	1	193
Reprole2	1893	28,47	20,10	1	120
Priorper	358	40,93	32,53	1	193
Time	358	536,03	562,21	3	3328
Depth	3097	0,17	0,55	0	4
Year	3097	5,64	3,14	1	223
Channel	3097	3,16	1,46	1	10

#### 4.4.2.1. Analysis Results with Full Dataset

Table 4.13 provides the results for 6 models. Model 1 tests the direct effect of failure on propensity to repeat relationships controlling for year and channel (hypothesis 1). The moderating effects are tested via interaction variables that are added one by one to the subsequent models, removing the previously tested interaction. This is to avoid any possible multicollinearity between the dependent variables. Hence, Model 2 tests for the moderating effect of uncertainty on the relationship between failure and propensity to repeat relationships (hypothesis 2). Model 3 tests for the moderating effect of participant reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3a). Model 4 tests for the moderating effect of project owner reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3b). And finally Model 5 tests for the moderating effect of depth of relationship between the owner and the participants on the relationship between failure and propensity to repeat relationships (hypothesis 6). Model 6 presents the fully specified model. All models include controls for the channel and the year, except for Model 2. To test interaction hypothesis following the logit results, slope tests are performed as discussed earlier.

In Model 1, coefficient of the “fail” dependent variable is negative ( $\beta=-0,91$ ) and it is significant ( $p=0.000$ ) that confirms hypothesis 1, indicating that failure in a project decreases the propensity of repeated collaborations between participants. Odds ratio ( $\exp(\beta)=0,40$ ) indicates that it is 0,40 times less likely to repeat collaborations after a failed project, as opposed to a successful project. Figure 4.6 depicts the relationship.

In Model 2, the interaction of uncertainty and failure is tested. This model excludes the control variable for year, as uncertainty happens in two specific years, and adding a year control variable would distort the results. The coefficient of the interaction variable is negative ( $\beta=-0,81$ ) and it is insignificant. Hence, hypothesis 2 is refuted. Uncertainty in the market does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 3, the interaction of participant reputation and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.002$ ) and is not significant. Hence, hypothesis

3a is refuted. Reputation of the project participant does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 4, the interaction of project owner reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.075$ ) and is not significant. Hence, hypothesis 3b is refuted. Reputation of the project owner does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

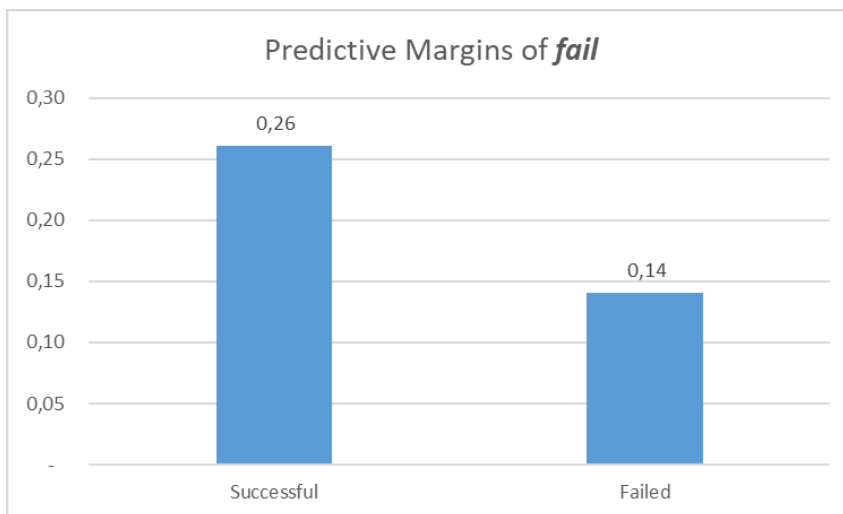
Finally in Model 5, the interaction of relationship frequency of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.02$ ) and insignificant. Hence, hypothesis 6 is refuted. Depth of the relationship between project participant does not have a significant moderating effect on relationship between failure and propensity to repeat collaboration between the same partners, different from the original operationalization.



Table 4.13 Model summary with full dataset (limited channels)

	<b>Model 1 H1</b>	<b>Model 2 H2</b>	<b>Model 3 H3a</b>	<b>Model 4 H3b</b>	<b>Model 5 H6</b>	<b>Model 6</b>
Failure	<b>-0,91 ***</b>	<b>-0,81 ***</b>	<b>-0,99 ***</b>	<b>-0,75 *</b>	<b>-0,78 **</b>	<b>-0,75 *</b>
	(0,23)	(0,23)	(0,33)	(0,39)	(0,25)	(0,45)
Uncertainty	-0,83	-0,2	-0,84	-0,82	-0,85	-0,75
	(0,57)	(0,42)	(0,56)	(0,57)	(0,59)	(0,62)
Participant rep.	0,002	-0,003	0,001	0,002	0,002	0,001
	(0,003)	(0,003)	(0,003)	(0,003)	(0,003)	(0,003)
Originator rep.	0,001	0,001	0,002	0,003	0,001	0,002
	(0,005)	(0,004)	(0,005)	(0,005)	(0,005)	(0,005)
Depth	<b>0,85 ***</b>	<b>0,89 ***</b>	<b>0,85 ***</b>	<b>0,85 ***</b>	<b>0,94 ***</b>	<b>0,93 ***</b>
	(0,19)	(0,12)	(0,19)	(0,12)	(0,18)	(0,17)
Failure x Uncertainty		-0,64				-0,27
		(0,72)				(0,77)
Failure x Participant rep.			0,002			0,003
			(0,007)			(0,006)
Failure x Originator rep.				0,005		0,004
				(0,009)		(0,009)
Failure x Depth					-0,2	-0,18
					(0,23)	(0,21)
N	1113	1113	1113	1113	1113	1113
R2	15,37	10,32	15,39	15,4	15,46	15,53
Year fixed effects	Yes	No	Yes	Yes	Yes	Yes
Channel fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Standard errors in parentheses						
Slope test coefficients indicate contrast dy/dx						
*** p<0.01 (99% CL) ** p < 0.05 (95% CL) * p < 0.10 (90% CL)						

Figure 4.6. Predicted probabilities graph for hypothesis 1 – full dataset



#### 4.4.2.2. Analysis Results with Limited Dataset

Limited dataset includes only the dyads with previous relationships with each other. This dataset is used to specifically test for the moderating effects of prior performance (H4) and the moderating effect of time passed after the most recent collaboration (H5). However, in order to check for robustness of previous findings on H1, H2, H3a, H3b and H6, these hypotheses will be retested with the limited dataset as well, to check if they specifically hold for dyads possessing prior relationships.

Table 4.14 provides the results for 8 models. Model 1 tests the direct effect of failure on propensity to repeat relationships controlling for year and channel (hypothesis 1). The moderating effects are tested via interaction variables that are added one by one to the subsequent models, removing the previously tested interaction. This is to avoid any possible multicollinearity between the dependent variables. Hence, Model 2 tests for the moderating effect of uncertainty on the relationship between failure and propensity to repeat relationships (hypothesis 2). Model 3 tests for the moderating effect of participant reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3a). Model 4 tests for the moderating effect of project owner reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3b). Model 5 tests for the moderating effect of prior performance on the relationship between

failure and propensity to repeat relationships (hypothesis 4). Model 6 tests for the moderating effect of time passed after the most recent collaboration on the relationship between failure and propensity to repeat relationships (hypothesis 5). And finally Model 7 tests for the moderating effect of depth of relationship between the owner and the participants on the relationship between failure and propensity to repeat relationships (hypothesis 6). Model 8 presents the fully specified model. All models include controls for the channel and the year, except for Model 2. To test interaction hypothesis following the logit results, slope tests are performed as discussed earlier.

In Model 1, coefficient of the *fail* dependent variable is negative ( $\beta=-1,07$ ) and it is significant ( $p=0.007$ ) that confirms hypothesis 1, indicating that failure in a project decreases the propensity of repeated collaborations between participants. Odds ratio ( $\exp(\beta)=0,34$ ) indicates that it is 0,34 times less likely to repeat collaborations after a failed project, as opposed to a successful project. Relationship is depicted in Figure 4.7.

In Model 2, the interaction of uncertainty and failure is tested. This model excludes the control variable for year, as uncertainty happens in two specific years, and adding a year control variable would distort the results. The coefficient of the interaction variable is positive ( $\beta=0,05$ ) and it is insignificant. Hence, hypothesis 2 is refuted. Uncertainty in the market does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 3, the interaction of participant reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.011$ ) and insignificant. Hence, hypothesis 3a is refuted. Reputation of the project participant does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 4, the interaction of project owner reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.012$ ) and insignificant. Hence, hypothesis 3b is refuted. Reputation of the project owner does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 5, the interaction of prior performance of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.033$ ) and insignificant. Hence, hypothesis 4 is refuted. Level of prior performance between the project partners does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

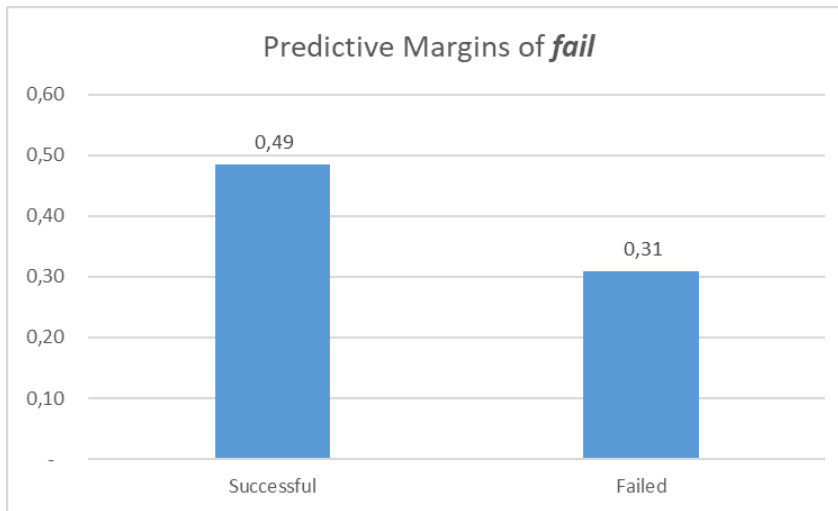
In Model 6, the interaction of time passed after the collaboration and failure is tested. The coefficient of the interaction variable is negligible ( $\beta=0.000$ ) and is insignificant. Hence, hypothesis 5 is refuted. Time passed after the project does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

Finally in Model 7, the interaction of relationship frequency of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.19$ ) and is insignificant. Hence, hypothesis 6 is refuted. Depth of the relationship between project participant does not have a significant moderating effect.

Table 4.14 Model summary with limited dataset (limited channels)

	Model 1 H1	Model 2 H2	Model 3 H3a	Model 4 H3b	Model 5 H4	Model 6 H5	Model 7 H6	Model 8
Failure	<b>-1,07 ***</b>	<b>-1,13 **</b>	<b>-1,49 **</b>	-1,04	<b>-1,60 **</b>	<b>-1,11 **</b>	-1,78	-1,88
	(0,40)	(0,32)	(0,60)	(0,71)	(0,73)	(0,40)	(0,89)	(1,23)
Uncertainty	<b>-1,16 *</b>	-0,50	<b>-1,25 **</b>	<b>-1,16 *</b>	<b>-1,24 **</b>	<b>-1,16 *</b>	<b>-1,18 **</b>	<b>-1,30 **</b>
	(0,63)	(0,54)	(0,59)	(0,63)	(0,60)	(0,63)	(0,60)	(0,63)
Participant rep.	0,005	0,003	0,007	0,005	0,005	0,005	0,005	0,005
	(0,008)	(0,008)	(0,009)	(0,007)	(0,008)	(0,008)	(0,008)	(0,008)
Originator rep.	-0,009	-0,012	-0,007	-0,008	-0,006	-0,009	-0,009	-0,012
	(0,013)	(0,012)	(0,013)	(0,013)	(0,013)	(0,013)	(0,013)	(0,013)
Prior performance	0,006	0,003	0,004	0,006	0,007	0,006	0,006	0,004
	(0,011)	(0,009)	(0,011)	(0,011)	(0,008)	(0,011)	(0,011)	(0,01)
Time	-0,001	<b>-0,001 *</b>	-0,001	-0,001	-0,001	-0,001	-0,001	-0,001
	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)	(0,001)
Depth	<b>0,57 ***</b>	<b>0,44 **</b>	<b>0,58 ***</b>	<b>0,57 ***</b>	<b>0,57 **</b>	<b>0,57 **</b>	<b>0,67 *</b>	<b>0,63 *</b>
	(0,18)	(0,20)	(0,18)	(0,18)	(0,18)	(0,18)	(0,35)	(0,33)
Failure x Uncertainty		0,005						-0,031
		(0,88)						(0,96)
Failure x Participant rep.			0,011					-0,004
			(0,11)					(0,15)
Failure x Originator rep.				-0,011				-0,024
				(0,15)				(0,23)
Failure x Prior perform					0,012			0,023
					(0,12)			(0,02)
Failure x Time						0,000		0,000
						(0,001)		(0,001)
Failure x Depth							-0,19	-0,14
							(0,50)	(0,50)
N	267	274	267	267	267	267	267	267
R2	15,2	8,14	15,48	15,2	15,64	15,2	15,27	16,01
Year fixed effects	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Channel fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Standard errors in parentheses								
Slope test coefficients indicate contrast dy/dx								
** p < 0.05 (95% CL) * p < 0.10 (90% CL)								

Figure 4.7. Predicted probabilities graph for hypothesis 1 – limited dataset



For the set of analysis with a limited set of TV channels, following table provides a summary of the findings from the analysis, along with the nature of relationships in the research model.

Table 4.15. Summary of findings (limited channels)

<b>H</b>	<b>Description</b>	<b>Full Dataset</b>	<b>Limited Dataset</b>
<b>1</b>	Direct effect of fail/success	<b>Supported</b>	<b>Supported</b>
<b>2</b>	Moderating effect of uncertainty	Refuted	Refuted
<b>3a</b>	Moderating effect of partner's reputation	Refuted	Refuted
<b>3b</b>	Moderating effect of originator's reputation	Refuted	Refuted
<b>4</b>	Moderating effect of prior performance	---	Refuted
<b>5</b>	Moderating effect of time	---	Refuted
<b>6</b>	Moderating effect of relationship depth	Refuted	Refuted

#### 4.4.3. Production Company Effects

Although the dyads are designed to capture the relationships between producers as the project entrepreneurs and the rest of the selected crew, the data on production companies may need special attention. These 227 producers own 129 production companies. While the staffing decisions are technically given by a single producers managing the focal project, the production company information may also be important, as the other owner(s) of the same company, if any, may have an impact on the decision of partner selection, depending on their own past experience with these candidates. There are between 1 to 14 owners for each production company, and Figure 4.8 depicts their number of owners.

These companies also have different levels of TV series production, while nearly half of them stayed in business only for a single project, there are some others who are quite seasoned, and are considered as powerful players in the market.

To be able to capture those information, project per company and owner per company information is also collected. Number of projects per company during the observation period ranges from 1 to 25 and is summarized in Figure 4.9.

Figure 4.8. Number of owners of production companies

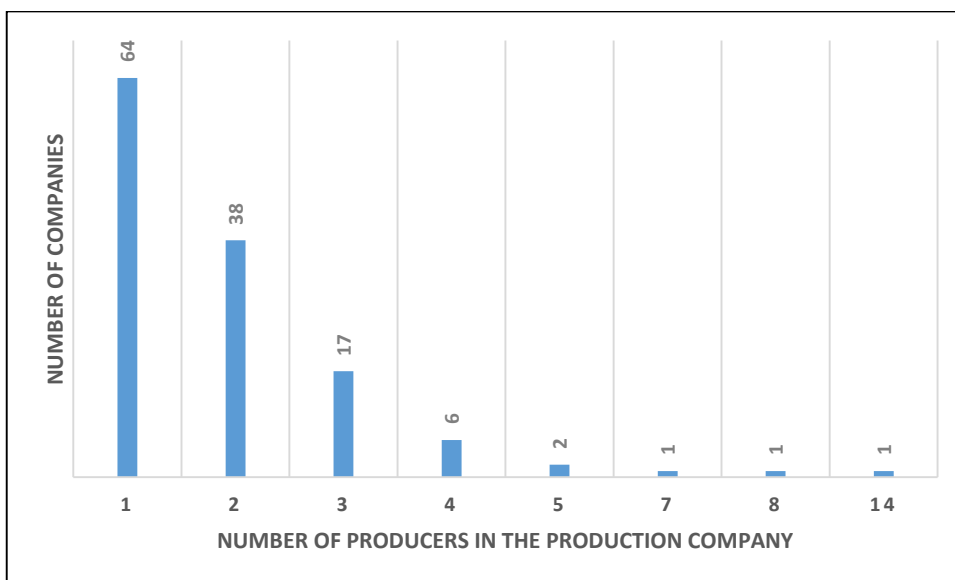


Figure 4.9. TV Series production per company

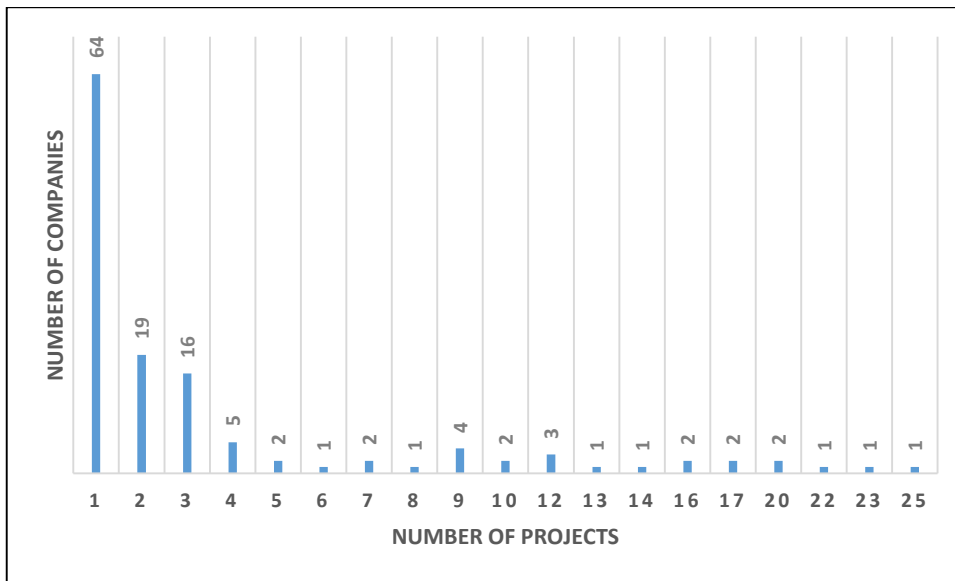


Table 4.16 summarizes the descriptive statistics after the outliers are removed, using the same procedure that has been applied to the main dataset.

Table 4.16. Descriptive statistics (production company effects)

Variable	Obs	Mean	Std. Dev.	Min	Max
Repeat	3822	0,14	0,34	0	1
Fail	3927	0,32	0,46	0	1
Uncertainty	3927	0,13	0,33	0	1
Reprole1	2098	32,40	27,51	1	212
Reprole2	2171	28,95	21,17	1	143
Priorper	410	41,25	32,80	1	193
Time	413	538,47	568,90	3	3328
Depth	3927	0,15	0,51	0	4
Year	3927	5,61	3,08	1	10
Channel	3927	4,79	3,16	1	14
Ownerpercomp	3927	3,30	2,80	1	14
Projcomp	3927	9,98	7,88	1	25



In this scenario, I have added company ownership controls to cater for the effect of multiple owners who might be influential in partnership decisions. A new variable *ownerpercomp* is added to the models, and it is coded as a continuous variable that shows number of production company co-owners for each TV series. I have also added company production level controls to cater for the effect of different levels of TV series production. As the failures are very costly for the producers, there may be cases where the production company ceased to exist after the first project, hence the project partner selection was not possible. A new variable *projcomp* is added to the models, and it defines how many projects the production company has completed until the focal TV series.

In these models, clustering for producers are not performed as the producer effect will already be built in with the new control variables. All other operationalizations of the original model are kept as they are.

#### **4.4.3.1 Analysis with Full Dataset**

Table 4.17 provides the results for 6 models. Model 1 tests the direct effect of failure on propensity to repeat relationships controlling for year and channel (hypothesis 1). The moderating effects are tested via interaction variables that are added one by one to the subsequent models, removing the previously tested interaction. This is to avoid any possible multicollinearity between the dependent variables. Hence, Model 2 tests for the moderating effect of uncertainty on the relationship between failure and propensity to repeat relationships (hypothesis 2). Model 3 tests for the moderating effect of participant reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3a). Model 4 tests for the moderating effect of project owner reputation on the relationship between failure and propensity to repeat relationships (hypothesis 3b). And finally Model 5 tests for the moderating effect of depth of relationship between the owner and the participants on the relationship between failure and propensity to repeat relationships (hypothesis 6). Model 6 presents the fully specified model. All models include controls for the channel and the year, except for Model 2. To test interaction hypothesis following the logit results, slope tests are performed as discussed earlier.

In Model 1, coefficient of the “fail” dependent variable is negative ( $\beta=-0,68$ ) and it is significant ( $p=0.000$ ) that confirms hypothesis 1, indicating that failure in a project decreases the propensity of repeated collaborations between participants. Odds ratio ( $\exp(\beta)=0,50$ ) indicates that it is 0,50 times less likely to repeat collaborations after a failed project, as opposed to a successful project. Figure 4.10.1 depicts the relationship. We can also observe the direct effects of the two new control variables to the propensity to repeat. Both of the company level controls have a significant effect on the dependent variable. *Ownerpercomp* has a coefficient of  $\beta=-0,11$  and is significant ( $p=0.016$ ) with an odds ratio of  $\exp(\beta)=0,89$ . A unit increase in the number of owners for the production company results in 0,89 times less propensity to repeat relationships with the existing partner. Figure 4.10.2 presents the stated relationship. On the other hand, *projcomp* has a coefficient of  $\beta=0,06$  and is also significant ( $p=0.000$ ) with an odds ratio of  $\exp(\beta)=1,06$ . A unit increase in the number of projects completed by the production company results in a 1,06 times more propensity to repeat relationships with the existing partner. Figure 4.10.3 presents this relationship.

In Model 2, the interaction of uncertainty and failure is tested. This model excludes the control variable for year, as uncertainty happens in two specific years, and adding a year control variable would distort the results. The coefficient of the interaction variable is negative ( $\beta=-0,40$ ) and it is insignificant. Hence, hypothesis 2 is refuted. Uncertainty in the market does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 3, the interaction of participant reputation and failure is tested. The coefficient of the interaction variable is positive ( $\beta=0.004$ ) and is not significant. Hence, hypothesis 3a is refuted. Reputation of the project participant does not have a significant moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

In Model 4, the interaction of project owner reputation and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.002$ ) and is not significant. Hence, hypothesis 3b is refuted. Reputation of the project owner does not have a significant

moderating effect on the relationship between failure and propensity to repeat collaboration between the same partners.

Finally in Model 5, the interaction of relationship frequency of the partners and failure is tested. The coefficient of the interaction variable is negative ( $\beta=-0.17$ ) and is significant with 90% CL ( $p=0.068$ ). As also seen in the marginal plots diagram in Figure 4.10.4, when relationship depth (frequency) is higher, the probability of repeated collaborations in case of a failure drops with a slightly smaller slope than it is the case with lower relationship depth. The slope test produced partially significant results as well ( $p=0.089$ ) as well, hence, hypothesis 6 is partially supported. Depth of the relationship between project participants has a partially significant moderating effect, attenuating the relationship between failure and propensity to repeat collaboration between the same partners.

Table 4.17 Model summary with full dataset (production company effects)

	<b>Model 1 H1</b>	<b>Model 2 H2</b>	<b>Model 3 H3a</b>	<b>Model 4 H3b</b>	<b>Model 5 H6</b>	<b>Model 6</b>
Failure	<b>-0,68 ***</b>	<b>-0,65 ***</b>	<b>-0,82 **</b>	<b>-0,61 *</b>	<b>-0,58 **</b>	<b>-0,64 *</b>
	(0,18)	(0,18)	(0,26)	(0,33)	(0,21)	(0,36)
Uncertainty	<b>-0,72 *</b>	-0,29	<b>-0,74 *</b>	<b>-0,72 *</b>	<b>-0,72 *</b>	-0,71
	(0,40)	(0,27)	(0,40)	(0,40)	(0,40)	(0,45)
Participant rep.	0,002	0,002	0,001	0,002	0,002	0,006
	(0,002)	(0,002)	(0,003)	(0,002)	(0,002)	(0,003)
Originator rep.	0,001	0,002	0,001	0,002	0,001	0,002
	(0,004)	(0,003)	(0,004)	(0,004)	(0,004)	(0,004)
Depth	<b>0,80 ***</b>	<b>0,84 ***</b>	<b>0,80 ***</b>	<b>0,80 ***</b>	<b>0,88 ***</b>	<b>0,88 ***</b>
	(0,09)	(0,09)	(0,09)	(0,09)	(0,13)	(0,13)
Ownerpercomp	<b>-0,11 **</b>	<b>-0,12 **</b>	<b>-0,11 **</b>	<b>-0,11 **</b>	<b>-0,11 **</b>	<b>-0,11 **</b>
	(0,04)	(0,05)	(0,04)	(0,04)	(0,05)	(0,05)
Projcomp	<b>0,06 ***</b>	<b>0,05 ***</b>	<b>0,06 ***</b>	<b>0,06 ***</b>	<b>0,06 ***</b>	<b>0,06 ***</b>
	(0,013)	(0,013)	(0,013)	(0,013)	(0,014)	(0,014)
Failure x Uncertainty		-0,40				-0,10
		(0,47)				(0,50)
Failure x Participant rep.			0,004			0,005
			(0,006)			(0,006)
Failure x Originator rep.				-0,002		-0,003
				(0,008)		(0,010)
Failure x Depth					<b>-0,17 *</b>	-0,09
					(0,19)	(0,24)
N	1238	1238	1238	1238	1238	1238
R2	15,02	10,92	15,06	15,02	13,91	15,14
Slope Test					<b>0,11 *</b>	
					(0,06)	
Year fixed effects	Yes	No	Yes	Yes	Yes	Yes
Channel fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Standard errors in parentheses						
Slope test coefficients indicate contrast dy/dx						
** p < 0.05 (95% CL) * p < 0.10 (90% CL)						

Figure 4.10.1. Predicted probabilities graph for hypothesis 1 – full dataset

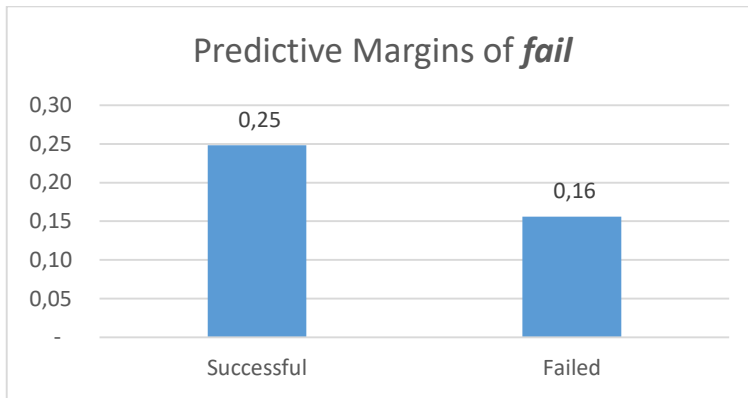


Figure 4.10.2. Effect of number of company owners on propensity to repeat

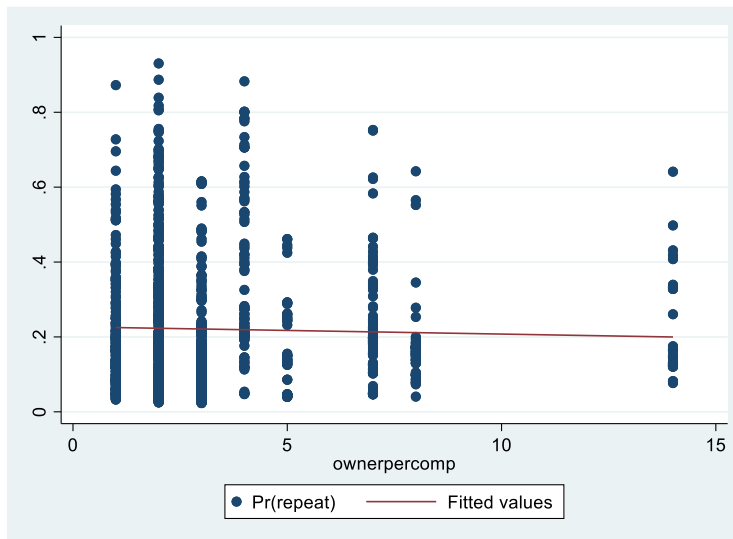


Figure 4.10.3. Effect of company output levels on propensity to repeat

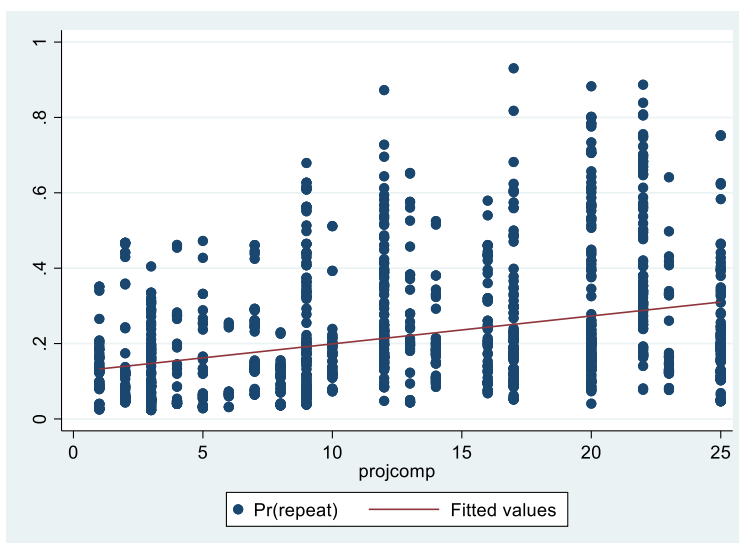
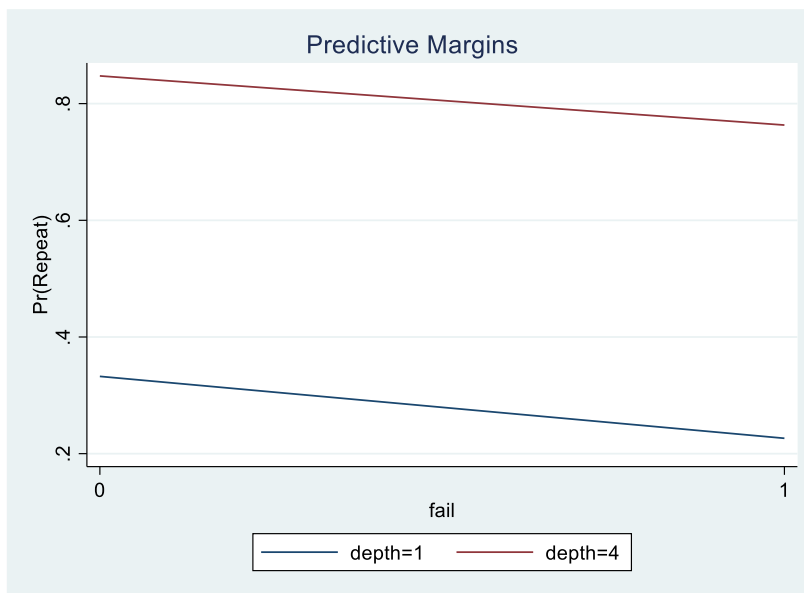


Figure 4.10.4. Predicted probabilities graph for hypothesis 6 – full dataset



#### 4.4.3.2 Analysis with Limited Dataset

As discussed in the previous analyses, limited dataset includes only the dyads with previous relationships with each other. This dataset is used to specifically test for the moderating effects of prior performance (H4) and the moderating effect of time passed after the most recent collaboration (H5). However, in order to check for robustness of previous findings on H1, H2, H3a, H3b and H6, these hypotheses will be retested with the limited dataset as well, to check if they specifically hold for dyads possessing prior relationships.

The number of observations with the limited data was significantly lower in the previous analysis (N=289), when additional controls are added, N drops to 15 and the model becomes insignificant. Hence, further tests are not executed.

For the set of analysis including production company effects, following table provides a summary of the findings from the analysis, along with the nature of relationships in the research model.

Table 4.18. Summary of findings (production company effects)

<b>H</b>	<b>Description</b>	<b>Full Dataset</b>
<b>1</b>	Direct effect of fail/success	<b>Supported</b>
<b>2</b>	Moderating effect of uncertainty	Refuted
<b>3a</b>	Moderating effect of partner's reputation	Refuted
<b>3b</b>	Moderating effect of originator's reputation	Refuted
<b>4</b>	Moderating effect of prior performance	---
<b>5</b>	Moderating effect of time	---
<b>6</b>	Moderating effect of relationship depth	<b>Partially Supported</b>

## 5. DISCUSSION

The present study inquires the partner selection of project based organizations following a failure. More specifically, it aims to discover the factors that either amplify or attenuate the relationships between project outcomes and the propensity to repeat those partnerships following a failure. It contributes to the project based organizations and network literatures in following ways. First, it aims to confirm the findings in previous studies that suggests low performance leads to a decrease in the possibility of future collaborations between the same partners. Second, it does so by directly defining failure, different from previous studies where proxies, such as performance below aspirations or undesired performance, are used. Third, it aims to address the unanswered question of under which conditions participants of project systems may be more likely to renew their existing ties even though their most recent collaboration resulted in failure. I tried to answer these questions by investigating the mentioned moderating effects on my main proposition that failure leads to decreased propensity to repeat project based relationships. To add to the robustness of the findings, I have created two alternative scenarios. First, I have limited the dyadic relationships to the producer and the director, to cater for the possibility of the director, as the major player, bringing along his own team upon agreement with the producer. And second, I have limited the TV channels, to make sure that the performance of the TV series is properly reflected upon the continuity of the project, hence upon success and failure.

In the following sections, I first summarize and discuss my research findings. (see, Table 5) Then, I discuss the theoretical as well as practical implications of these findings. I conclude by covering the limitations of the dissertation study as well as possible avenues for future research.



Table 5. Overall summary of research findings

	<i>Hypothesis</i>	<i>Definition</i>	<i>Main Model</i>	<i>Limiting Dyadic Relationships</i>	<i>Limiting TV Channels</i>	<i>Production Company Effects</i>
1	Direct effect of fail/success	Failure in a project decreases the likelihood of future collaborations between project participants.	<b>Supported</b>	<b>Supported</b>	<b>Supported</b>	<b>Supported</b>
2	Moderating effect of uncertainty	Uncertainty in the market at the beginning of a project attenuates the relationship between failure and likelihood of future collaborations between participants.	Refuted	Refuted	Refuted	Refuted
3a	Moderating effect of partner's reputation	Reputation of project participants attenuates the relationship between failure and likelihood of future collaborations between participants.	Refuted	Refuted	Refuted	Refuted
3b	Moderating effect of originator's reputation	Reputation of project originator amplifies the relationship between failure and likelihood of future collaborations between participants.	Refuted	Refuted	Refuted	Refuted
4	Moderating effect of prior performance	Performance of prior collaborations attenuates the relationship between failure and likelihood of future collaborations between participants.	Refuted	Refuted	Refuted	--
5	Moderating effect of time	Time passed after the most recent collaboration attenuates the relationship between failure and likelihood of future collaborations between participants.	Refuted	Refuted	Refuted	--
6	Moderating effect of relationship depth	Depth of the relationship attenuates the relationship between failure and likelihood of future collaborations between participants.	<b>Supported</b>	Refuted	Refuted	<b>Partially Supported</b>

## **5.1. Relationship Between Project Failures and Repeated Partnerships**

The main research question was whether a failure in a project results in a lower propensity to repeat partnerships between the project entrepreneur and the project participants. The proposition rested on the tie formation / renewal research as well as performance-outcome learning literature. Organizations repeatedly enter into alliances with their past partners in order to reduce the hazards of potential incapability and unreliability, and to decrease search costs arising from uncertainty of a new potential partner. Organizational learning adds to these mechanisms by introducing the outcomes of prior ventures as learnings tools that help increase future success and avoid possible losses. Project systems are considered as a flexible form of organizing where individual agents come together for a task in light of their previous experiences and future job prospects. These future prospects make project networks “more than just temporary collaborations” (Sydow, 2009). Every successful project strengthens the partners’ attractiveness and every failure wears away from them. Although few in number, studies indicate that performance dissatisfaction leads to decreased propensity to repeat collaborations (Li and Rowley, 2002; Schwab and Miner, 2008; Zhelyazkov and Gulati, 2015; Ebers and Mauer, 2016). I similarly hypothesized that failure in a project decreases the likelihood of future collaborations between project participants. (Hypothesis 1)

In line with my argument, the analysis showed significant negative relationship between the project outcome and the propensity to repeat the partnership. Testing the same hypothesis with limited dyadic relationships, limited top TV channels as well as by taking into account company level effects revealed the same results. That means the findings for the first hypothesis is quite robust and does not lose its significance or change direction. This finding is also in line with attribution literature that suggests when the outcomes of the interactions deviate from the expectations, processes are triggered in order to assign causality, or make attributions, to the actors who produced the deviant outcome (Wolosin et al., 1973).

Having shown that the baseline hypothesis is supported, I move on to testing the moderators that I propose attenuate or amplify this relationship.

## **5.2. Moderating Effect of Uncertainty**

Studies reveal that organizations rely on past partners in uncertain environments (Podolny, 1994; Beckman et al. 2004; Galaskiewicz & Shatin, 1981; Uzzi, 1997; Sorenson & Stuart, 2008). In such situations, project partners go for “economies of repetition” by exploiting existing resources and capabilities (Lavie & Rosenkopf, 2006; Manning & Sydow, 2011). However, at the same time, the previous hypothesis showed that failure in a project results in a decreased propensity to repeat existing ties. So the question becomes how those two dynamics interplay. I argued that when there is external (market) uncertainty at the time of partner selection, the relationship between failure on the most recent collaboration and the propensity to select a previous partner is attenuated. That is, following a failure, project originators would opt more for existing ties as opposed to new ties in case of uncertainty. (Hypothesis 2)

The hypothesis was supported neither in the main model nor in the alternative models. That means in case of failure, project entrepreneurs do not become more reluctant to drop their existing ties under market uncertainty.

Although collaborative experience builds the necessary level of trust between the partners, which, under conditions of high market uncertainty, becomes even more important in partner evaluation, this level of trust is likely to be jeopardized by the recent failure event. Project originators under market uncertainty possibly weigh the advantages of keeping the partner with collaborative experience and the disadvantages of keeping the same partner with whom they have shared an unfavorable outcome. The potential disadvantages seem to outweigh the potential advantages and following a recent failure event, the project originators are inclined more towards new ties as opposed to existing failed ties even in the case of uncertainty.

One additional explanation may be related with the “uncertainty perception” of the project originators. The movie and TV series industries are already characterized by high uncertainty. Although the TV channels may improve the chances of success to a degree by making strategic choices on projects, by proper budgeting, and by launching a well

planned marketing campaign, once the project starts, the audience decides on the project's destiny. Under such circumstances, as De Vany & Walls (1999) quote in their paper from the screenwriter William Goldman, "no one knows anything". In such circumstances, an additional market uncertainty may not be strong enough a moderator to effect the process, as it does in other industries. In the exploratory interviews, the TV channel executive has mentioned that during the time period that I coded as "uncertain", they have kept on negotiating with the advertising agencies with whatever past data was available at the time and he did not recall a turbulent period in terms of his channel's decision making process. Taking into account the industry leader opinions and the analysis results, in industries where there is already inherent uncertainty, the premise that organizations rely on past partners during market uncertainty may not apply, since external uncertainty may not present a significant enough threat.

### **5.3. Moderating Effects of Participant and Originator Reputations**

#### *Participant Reputation:*

Regarding the reputation of the project participant, the argument was that, it is likely for the project entrepreneur to prefer keeping the existing partners with high reputation when they make arrangements for their upcoming projects, despite a recent failure. The rationale behind this proposal was the potential legitimacy to be obtained, due to the reputation spillover from the high status project partner to the project itself, making it more attractive to the financiers, TV channels, as well as the end users, TV audience. I have therefore proposed that the reputation of project participants attenuates the relationship between failure and likelihood of future collaborations between participants. (Hypothesis 3a)

For the main model, there wasn't any significant difference between the decrease in repetition propensity for partners with low and high reputation. This was the case in the alternative operationalization with limited TV channels and with company level controls as well. Both of these scenarios included the dyads between the producer and the creative crew, namely screenwriters, editors cinematographers and directors. One possible

explanation on why this is the case may be related with the elevated expectations from the partner with high reputation. The project entrepreneur might be feeling a higher level of dissatisfaction after the failure with a reputable partner than it is the case with a less reputable one. Moreover, the failure may have costed more with the reputable partners, if the project expenditures increase in line with partner status. This is especially relevant in my study context, cultural / creative industries, where the project owner invests more to the more reputable partners. In their study on syndicates, Baum et al. (2005) argue that performance of the peer group becomes the benchmark for the organization against which performance is evaluated. Working with reputable players therefore might set a higher benchmark for such projects, causing the failure to hit harder.

Another possible reason why hypothesis 3a is refuted may be related with Podolny's (1994) proposition that status becomes important when there is not sufficient prior experience between the partners. Once the relationship is established and the partners build their own views on the other party's capabilities, reputation might lose its significance.

However, the alternative scenario with the "producer-director" dyad only, the results showed an opposite relationship with the hypothesis. (p value for the slope test was 0.09, suggesting a relationship with 90% CL) That suggests, if the reputable partner is the director, producers seem to have an easier time to drop those ties as opposed to other reputable members of the crew. This is an interesting finding to elaborate on. Here, I would like to discuss the notion of collective reputation versus individual reputation (Uzzi & Spiro, 2005). In an environment like creative industries where the output is a result of a combined effort, the performance of a project translates into individual reputations equally, unless there is information to think otherwise. For instance a successful TV series that lasts for many weeks would increase the reputation of the director and the editor at the same time, since the project is on both of their past performance list. If an editor for instance has been a member of the same collective, with the same director, or screenwriter, it is not easy to distinguish between the individual's versus group's reputation. As discussed in the exploratory interviews, the director however, is the most visible partner of the collective, where the success and fail is more easily attributed to. In such a setting, the project owner, the producer, makes this attribution, and as stated in the interviews, the arrow seems to hit the director. And it hits harder if he is more reputable,

as the expectations and aspirations were possibly higher. That may be the reason why the producer terminates the relationship with the reputable director more easily, but not the other members of the creative team.

*Project Originator (Owner) Reputation:*

Regarding the reputation of the project originator, my proposition was that, it is likely for the high status project entrepreneurs to be less tolerant to failure when they arrange partnerships for their upcoming projects. The rationale behind this proposal was the need to maintain their existing legitimacy. High status individuals are less willing to affiliate themselves with low status others as it can threaten their own (Benjamin & Podolny, 1999). Since a failure deducts from the reputation of the participant, the project owners with high reputation might be less likely to keep these relationships. I have therefore proposed that the reputation of project owner amplifies the relationship between failure and likelihood of future collaborations between the same participants. (Hypothesis 3b) There wasn't any significant difference between the decrease in repetition propensity for project owners with low and high reputation. This was the case in the main model, as well as the rest of the three alternative operationalizations.

One possible explanation on why this is the case may be related with how low status project owners react to failure. As much as a high status project owner cares about keeping his reputation (legitimacy), similarly, the low status project owner may aim to build one. This concern may well decrease the failure tolerance level of the low status project owners, leading them to drop the underperforming existing ties, as easily as their high status peers.

#### **5.4. Moderating Effect of Past Performance**

Regarding the effect of past performance of the projects taken place between the project owner and the project participants, my argument was that, it is likely for the project entrepreneur to keep existing partners with whom they had a more successful repertoire of past projects when it is time to make future arrangements. I have hypothesized that the

performance of prior collaborations attenuates the relationship between failure and likelihood of future collaborations between participants. (Hypothesis 4) The rationale behind this proposition was the first-hand experience obtained from past collaborations providing the most accurate evaluation criteria when selecting partners to work with. It has been discussed in the organizational learning and tie formation literatures that organizations chose partners with a history of more favorable outcomes (Levitt & March, 1988; Li & Rowley, 2002; Schwab & Miner, 2008). However, the question here becomes whether such previous positive outcomes reduce the negative effect of the recent failure on the propensity to repeat collaborations. The results indicate that, following a failure, the project owners are indifferent between the partners with whom they have enjoyed a better or worse prior performance. Their propensity to drop those ties are not significantly different from each other. The results are the same for the main model as well as for the alternative scenarios with limited dyadic relationships and limited TV channels. In the last alternative analysis with company level controls, this hypothesis could not be tested as the model became insignificant with very limited observations.

In the exploratory interviews, the directors and the producers that I have interviewed with have explicitly mentioned that the most recent outcome might outweigh the value of past projects in the case of a failure. They have given the example of a football club trainer, “when you lose a couple of games in a row, no one cares about your legendary past.” This view was weakening my hypothesis, however, that is what the analysis results also show.

There may be two explanations on why this is the case. First, limited attentional capabilities of individuals constrain decision making (Kahneman & Tversky, 1982). Project entrepreneurs therefore are likely to notice the most recent positive or negative outcome as opposed to the outcomes of past collaborations. Especially when the most recent outcome is a failure, organizational learning literature considers this as a highly visible event and suggests that such events have larger impact on decision making (Kim & Miner, 2007; Schwab and Miner, 2008). That may be one of the reasons why successful past projects is not strong enough an input that would outweigh the impact of a recent failure. A second explanation might be the elevated aspirations from the partnership given the success past outcomes. When partners have a successful past together, the expectations for another successful project might be higher, therefore a recent failure

might be harder to accept. Organizational learning literature provides support for this explanation. Decision makers take actions depending on whether their performance is above or below a benchmark, and that benchmark is usually the aspiration level relative to their own historical performance (Baum et al., 2005). So it is expected from project entrepreneurs to be more willing to explore new ties instead of exploiting existing ties, when their performance is below their historical aspirations.

### **5.5. Moderating Effect of Time**

The next moderator I have proposed was the effect of time passed between the most recent collaboration and the arrangements for the next project. My argument was that, the propensity for the project entrepreneur to drop the partners that they have more recently failed with is greater than the propensity to drop the partners that they have failed together in the past. I have proposed that, as the time passes, the effect of the negative outcome might diminish. The hypothesis therefore was, the time passed after the most recent collaboration attenuates the relationship between failure and likelihood of future collaborations between participants. (Hypothesis 5) The rationale behind this proposition was the recency effect. Recent events are more easily recalled and they have stronger impact on the decisions than less recent events (Baum & Ingram, 1998; Gulati, 1995; March et al., 1991; Schwab & Miner, 2008).

The results indicate that the difference in the slopes of high and low levels of time passed between projects is not significant enough to support the hypothesis. The results are the same for the main model as well as for the alternative scenarios with limited dyadic relationships and limited TV channels. In the last alternative analysis with company level controls, this hypothesis could not be tested as the model became insignificant with very limited observations. That is, failure deteriorates the propensity to repeat relationships, regardless of how much time has passed after the failure incident.

A possible explanation might be the effect of a failure incident outweighing the recency effect. No matter how far away the failure was, the lessons learnt might not be forgotten.



When the most recent outcome is a failure, as discussed in Hypothesis 4, this becomes a highly visible event and such events have larger impact on decision making (Kim & Miner, 2007). As the results suggest, this impact might not diminish in time.

### **5.6. Moderating Effect of Relationship Depth**

The final moderator I have suggested was the effect of relationship depth (frequency of interactions) on the relationship between failure and propensity of repeated collaborations. More specifically, the suggestion was that the depth of the relationship attenuates the relationship between failure and likelihood of future collaborations between participants. In case of failure, the advantages of established deep relationships are not likely to be overshadowed by the recent outcome. While it is true that the propensity to repeat relationships decrease with failure, for higher levels of relationship depth, this decrease is slower, that is, it has a flatter slope.

The hypothesis is supported in the main model, and partially supported in the alternative analysis with production company controls. In case of failure, project entrepreneurs become more reluctant to drop their existing ties that they have collaborated more frequently in the past. Three mechanisms might coexist behind relationship depth attenuating the relationship between failure and repeated collaborations. First is the established trust in the ability of one another, second one is the pool of shared knowledge between the partners that can be recalled whenever necessary, and the third one is the path dependence arising from established routines as a result of frequent interaction. These are the possible reasons why project originators have a harder time giving up on their more seasoned partners, even after failure.

One important issue to note here is the difference in the analysis results with the full dataset and the limited dataset that is used for testing the effect of time and the effect of prior performance. Limited dataset (N=289) includes dyads that have worked at least once prior to the focal project, so the depth variable take the minimum value of 1. The full dataset (N=1238) on the other hand, includes all dyads regardless of their prior

relationship, including first time dyads as well as repeated dyads. Therefore the depth in the full dataset takes the minimum value of 0. When the dyads with 0 depth are excluded, the hypothesis no longer holds, meaning there is not much difference between having one or multiple projects together. The reason why the hypothesis is supported with the full data but not the limited data might possibly be due to the difference of “having worked together before” as opposed to “how many times they have worked together before”. This is a finding that needs further exploration, to distinguish the effect of acquaintance from the effect of relationship depth.

### **5.7. Implications of the Study**

This dissertation study aimed to answer the questions of how project based organizations react to failure on their subsequent partnership selections. More specifically, under what conditions originators of projects may choose to continue their partnerships even though the outcome of the relationship was a failure. I proposed a baseline hypothesis, which was replicated multiple times in networks literature. The fact that low performance from collaborations lead to lower propensity to keep those ties was somewhat expected but a necessary precondition to test my moderating hypotheses.

The contribution of the study to the literature was to test the organizational learning theories effecting tie selection after failure under different contingency situations, more specifically, under uncertainty, with the presence of high status partners/originators, with different prior performance levels and relationship depths, as well as after different periods of time. For each moderator that I have proposed, I aimed to present two contesting theories and checked which one would hold against the other. (see Table 6 for a summary)

The results showed that previous failure is hard to ignore when making future partner selections. Project owners have a significantly less propensity to keep the ties with whom they have failed. Only whether they have worked together in the past seems to effect that decision.

Table 6. Competing hypotheses

H	Moderator	Theory (A) Baseline Hypothesis	Theory (B) Moderator Hypotheses	Proposition	Finding
2	Uncertainty	Poor performance reduces the likelihood of the partners collaborating again in the future	Organizations overcome market uncertainty by engaging in exchange relations with partners with whom they have transacted in the past	B weakens A	None
3a	Reputation of the participant		Decision-maker's propensity to engage in a collaboration is increased by the positive reputation of the target partner.	B weakens A	<b><i>B strengthens A (directors only)</i></b>
3b	Reputation of the owner		An organization's reputation is a valuable, rare, hard to imitate and non-substitutable asset, providing the firm with a sustainable competitive advantage.	B strengthens A	None
4	Prior performance		A firm's previous success with a given partner plays an important role when a firm evaluates new partnership opportunities and organizations chose partners with more favorable outcomes	B weakens A	None
5	Time		Recent events are more easily remembered, perceived and used for decision making. More recent experiences have stronger impact than older experiences	B weakens A	None
6	Relationship Depth		Past alliances between two firms increase their propensity to form new alliances with each other, and in most situations organizations start their search with past solutions, relying on historical experience	B weakens A	<b>B weakens A</b>

## 5.8. Limitations and Directions for Future Research

This research has some limitations which need to be addressed in future studies. First, regarding the moderating effects of reputation, a different way of operationalizing reputation may also be necessary, as the prior performance of the project is actually a collaborative reputation and it might not necessarily be directly transferred to the partner.

Second, this study is done on a single industry, TV series production. Research in other industries will be needed to replicate the findings. Future studies need to go beyond the creative industries to promote analytical generalization of the concepts, especially in industries where attribution of failure is more rational and less subjective.

Third, future studies could pay more attention to the influence of the organizational field on project-based relationships. Such as; the economic conditions, potential budget limitations and the supplier market depth which were not available for this industry.

Future studies may also explore further here onwards; to see the performance impacts of such decisions. That is, what is the outcome of the project initiated with the same project partner even though the previous relationship resulted in failure? Is there a price to pay when a project entrepreneur relies on his frequent partners in the expense of disregarding the outcome of the most recent failed collaboration? Sorensen & Waguespack (2011) discuss that partners hold biased assessments in favor of their prior exchange partners and are likely to overestimate their quality and trustworthiness. If that is the case, when these prior exchange partners are reselected despite of a previous failure, the possibility of being successful might be expected to suffer.

As discussed previously, another area for future research may be differentiating acquaintance from relationship depth when analyzing the moderating effects of collaboration frequency on the relationship between project outcome and future collaborations. While relationship depth might significantly moderate the relationship between failure and propensity to repeat partnerships when there is at one least prior collaboration versus none, it may not be as significant afterwards, once the relationship is established.

One possible research topic might include “shades of failure”. How quick or how hard the failure hits may also be an important issue in determining the effects on the propensity to keep/drop these ties. In the case of TV series industry, “how quick” may be operationalized with the number of episodes the project lasted before termination, and “how hard” can be measured by the amount of investment lost on the part of the producer, a data which was not available at the time of the research.

As introduced in the last alternative scenario, number of owners and the output levels of production companies have a direct effect on the propensity to repeat collaborations. However, this finding is independent from the outcome of the project. It may be fruitful to further explore whether these two company level variables moderate the relationship between project failure and future collaborations.

Also, another potential research area might be the relative reputation of project originator vis-à-vis the project participant. In alliances literature, status asymmetry of the alliance partners are considered to be important predictors of firm performance (Lin et al., 2009). A well-established and high-status firm may be more likely to favor firms of similar status during selection of alliance partners, since an association with low-status firm may result in a deterioration of its own (Podolny, 1994).

## APPENDICES

### Appendix A. Stata Codes Used

#### \* Computing Correlations

```
pwcorr repeat fail uncertainty reprove1 reprove2 priorper time depth year channel,  
bonferroni sig
```

#### \* Line Graphs

```
tw scatter f_hat projcomp || lfit f_hat projcomp, sort  
tw scatter f_hat ownerpercomp || lfit f_hat ownerpercomp, sort
```

#### \* Testing Model 1 (H1) with large dataset

```
logit repeat i.fail i.uncertainty reprove1 reprove2 depth i.year i.channel, nolog vce(cluster  
producer)  
margins i.fail  
marginsplot, recast(line) noci
```

#### \* Testing Model 2 (H2) with large dataset

```
logit repeat i.fail i.uncertainty reprove1 reprove2 depth fail_uncert i.year i.channel, nolog  
vce(cluster producer)  
margins, at (fail=(0 1) uncertainty=(0 1))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (uncertainty=(0 1)) vsquish pwcompare(effects)
```

#### \* Testing Model 3 (H3a) with large dataset

```
logit repeat i.fail i.uncertainty reprove1 reprove2 depth fail_rep1 i.year i.channel, nolog  
vce(cluster producer)  
margins, at (fail=(0 1) reprove1=(5 59))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (reprove1=(5 59)) vsquish pwcompare(effects)
```

#### \* Testing Model 4 (H3b) with large dataset

```
logit repeat i.fail i.uncertainty reprove1 reprove2 depth fail_rep2 i.year i.channel, nolog  
vce(cluster producer)  
margins, at (fail=(0 1) reprove2=(8 50))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (reprove2=(8 50)) vsquish pwcompare(effects)
```

#### \* Testing Model 5 (H6) with large dataset

```
logit repeat i.fail i.uncertainty reprove1 reprove2 depth fail_depth i.year i.channel, nolog  
vce(cluster producer)  
margins, at (fail=(0 1) depth=(0 4))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (depth=(0 4)) vsquish pwcompare(effects)
```

\* Testing Model 1 (H1) with limited dataset  
logit repeat i.fail i.uncertainty reple1 reple2 priorper time depth i.year i.channel,  
nolog vce(cluster producer)  
margins i.fail  
marginsplot, recast(line) noci

\* Testing Model 2 (H2) with limited dataset  
logit repeat i.fail i.uncertainty reple1 reple2 priorper time depth fail\_uncert i.year  
i.channel, nolog vce(cluster producer)  
margins, at (fail=(0 1) uncertainty=(0 1))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (uncertainty=(0 1)) vsquish pwcompare(effects)

\* Testing Model 3 (H3a) with limited dataset  
logit repeat i.fail i.uncertainty reple1 reple2 priorper time depth fail\_rep1 i.year  
i.channel, nolog vce(cluster producer)  
margins, at (fail=(0 1) reple1=(5 59))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (reple1=(5 59)) vsquish pwcompare(effects)

\* Testing Model 4 (H3b) with limited dataset  
logit repeat i.fail i.uncertainty reple1 reple2 priorper time depth fail\_rep2 i.year  
i.channel, nolog vce(cluster producer)  
margins, at (fail=(0 1) reple2=(8 50))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (reple2=(8 50)) vsquish pwcompare(effects)

\* Testing Model 5 (H4) with limited dataset  
logit repeat i.fail i.uncertainty reple1 reple2 priorper time depth fail\_prior i.year  
i.channel, nolog vce(cluster producer)  
margins, at (fail=(0 1) priorper=(9 73))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (priorper=(9 73)) vsquish pwcompare(effects)

\* Testing Model 6 (H5) with limited dataset  
logit repeat i.fail i.uncertainty reple1 reple2 priorper time depth fail\_time i.year  
i.channel, nolog vce(cluster producer)  
margins, at (fail=(0 1) time=(3 1100))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (time=(3 1100)) vsquish pwcompare(effects)

\* Testing Model 7 (H6) with limited dataset  
logit repeat i.fail i.uncertainty reple1 reple2 priorper time depth fail\_depth i.year  
i.channel, nolog vce(cluster producer)  
margins, at (fail=(0 1) depth=(1 4))  
marginsplot, recast(line) noci  
margins, dydx(fail) at (depth=(1 4)) vsquish pwcompare(effects)

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