

JUSTIN A. FRAKE

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ACADEMIC POSITIONS

2018 **UNIVERSITY OF MICHIGAN, ROSS SCHOOL OF BUSINESS**
Assistant Professor

EDUCATION

2018 **UNIVERSITY OF MARYLAND**, College Park, MD
Ph.D., Strategic Management and Entrepreneurship

2006 **UNIVERSITY OF OKLAHOMA**, Norman, OK
B.S., Business Administration - Finance

RESEARCH INTERESTS

labor markets, mobility, entrepreneurship, signaling, innovation, authenticity, status

RESEARCH

Selling Out: The Inauthenticity Discount in the Craft Beer Industry. **Management Science**, 2017, 63(11): 3930-3943.

- Winner, Best PhD Paper Prize, SMS Conference, 2015
- Finalist, Best Conference Paper Prize, SMS Conference, 2015

Leveraging Who You Know by What You Know: Returns to Relational and Human Capital, with Heejung Byun & Rajshree Agarwal (equal contribution). **Strategic Management Journal**, 2018, 39:1803-1833.

- Winner, Best PhD Paper Prize, SMS Conference, 2016
- Winner, Best Interdisciplinary Paper (Strategic Human Capital IG), SMS Conference, 2016

Mobility Constraint Externalities, with Evan Starr and Rajshree Agarwal (equal contribution). **Organization Science** (conditional accept).

Signals, Not Shackles: The Effect of Patents on Inventor Mobility and Entrepreneurship

How do patents affect the probability that an inventor will leave their employer to join or start another firm? Building on theories of appropriability and firm-specificity, prior studies support the notion that patents constrain inventors. I argue, using signaling theory, that patents will increase inventor mobility and entrepreneurship by acting as signals of inventor quality. I further argue that the positive effects of patenting are exacerbated for university inventors and inventors working on discrete technologies. Instead of relying on patent records to measure mobility, which leads to sampling and misclassification bias, I match US patent data with linked employee-employer Census microdata. This novel dataset allows me to observe the near-complete patent, wage, and employer history of most US inventors between 1995 and 2008. To causally identify the effect of patenting, I use the historical leniency of quasi-randomly assigned patent examiners to instrument for whether a patent is granted. I challenge prior work by finding support for the signaling, rather than constraining, effects of patents. To test whether signaling is the operant mechanism, I show that patenting also increases the inventor's wages and future productivity. My findings reveal an interesting paradox for innovative firms: by patenting an inventor's idea, firms dramatically increase the probability that the inventor will leave to join or start another firm.

The (De)Motivating Effects of Awards

This paper investigates the effect of prestigious awards on subsequent productivity and performance. Previous studies demonstrate that awards increase future productivity by providing the winner with greater access to resources, increased perceptions of ability, and enhanced self-confidence. However, this paper investigates how and why awards may decrease ex-post productivity. I argue that award winners of prestigious awards may be less productive because (1) they may become complacent after winning a prestigious award, thus consuming more leisure, and (2) they may engage in greater exploration or category spanning after receiving a prestigious award. I further argue that closely losing an award will have a positive effect on subsequent productivity because the losers experience negative emotions that spur increased focus and determination to succeed in the future. I investigate these conjectures in the US film industry from 2002-2016. I exploit prediction market odds to estimate the probability of winning (and losing) an Academy or Golden Globe Award. I then condition on the probability of winning an award using a propensity score design to estimate the effect winning (losing) an award on subsequent productivity and performance. Preliminary results confirm my hypothesis that winning awards decrease subsequent productivity while losing awards increase productivity.

Stealing Status: The Individual Appropriation of Organizational Awards

This paper explores how organizational status may act as a liability to organizations when employees, rather than the organizations themselves, are able to appropriate the value of organizational status. A vast body literature has assessed the effects of status at the individual or the organizational levels, finding generally positive effects on prices, attention, and performance. However, fewer studies have explored how individuals may appropriate the status of the organizations they are affiliated with. Further, few studies have demonstrated the downsides of organizational status. In this study, I highlight an often-neglected mechanism that may cause undesirable outcomes for high-status organizations. Specifically, I argue that organizational status may increase the value of current employees' outside employment options, making it costlier and/or more difficult to retain employees. I

empirically investigate these conjectures using a regression discontinuity design that exploits Fortune's rule that companies must have 1,000 employees to be listed on the "Best Places to Work" list. Specifically, I compare companies with just over 1,000 employees that are listed on the "Best Places to Work" list with those who have just under 1,000 employees and are listed on a less prestigious list.

The Streetlight Effect: Identifying Bias in Patent-Based Measures of Mobility, with Rajshree Agarwal & Martin Ganco

Inventor mobility and entrepreneurship, as measured through name matching on patents assigned to different firms, has been used extensively by scholars interested in diffusion of knowledge across firm boundaries. In this study, we compare the mobility and entrepreneurship patterns observed through patent data with those observed in the Longitudinal Employer-Household Dynamics (LEHD) program at the US Census Bureau. Our study aims to examine the sources of potential biases emanating from measurement and sampling problem in patent-based studies. In particular, we attempt to quantify the level of bias due to sampling on (a) inventors vs. other knowledge-workers within patenting firms. (b) patenting firms vs. non-patenting firms in the same industry, (c) firms within patenting industries vs. those in non-patenting industries.

PRESENTATIONS

(Presentations at UMD excluded)

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| 2017 | Signals, Not Shackles: How Patents Affect Inventor Mobility and Entrepreneurship <ul style="list-style-type: none">• Consortium on Competitiveness and Cooperation (CCC)• Industry Studies Association• AOM Annual Meeting• Economic Sociology Conference Mobility Constraint Externalities <ul style="list-style-type: none">• AEA/ASSA |
| 2015 | Selling Out: The Inauthenticity Discount in the Craft Beer Industry <ul style="list-style-type: none">• Strategic Management Society Annual International Conference• AOM Annual Meeting• Medici Summer School |
| 2014 | The Streetlight Effect: Identifying Bias in Patent-Based Measures of Mobility <ul style="list-style-type: none">• Strategic Management Society Annual International Conference• AOM Annual Meeting |

OTHER INVITED PARTICIPATION

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| 2017 | Yale Workshop on Authenticity |
| 2016 | West Coast Research Symposium |
| | Oxford Reputation Symposium PDW |
| | Northwestern Causal Inference Workshop |
| 2015 | Medici Summer School in Management Studies |

2014 Strategy Research Initiative (SRI) PhD Boot Camp
 Wharton Mack Institute Emerging Scholar Workshop

HONORS AND AWARDS

- Kauffman Dissertation Fellowship (2017-2018)
- Frank T. Paine Award for Academic Achievement, Robert H. Smith School of Business, University of Maryland (2017)
- Winner 2016 Best Interdisciplinary Paper. Strategic Human Capital IG. Strategic Management Society
- Winner 2016 Strategic Management Society Best Conference PhD Paper Prize
- Winner 2015 Strategic Management Society Best Conference PhD Paper Prize
- Finalist 2015 Strategic Management Society Best Conference Paper Prize
- Dean's Summer Research Fellowship, Robert H. Smith School of Business, University of Maryland (2013 present)
- University Fellowship, Robert H. Smith School of Business, University of Maryland (2013 present)

SECURITY CLEARANCE

Special Sworn Status (Title 13/26), U.S. Census Bureau

TEACHING

Strategic Management Instructor, University of Maryland

Overall instructor rating: **3.93/4.0** (Class size: 30)

Senior undergraduate course in strategic management. Solely responsible for developing syllabus, lecturing, leading case discussions, and grading.

Summer 2016

Strategic Management TA, University of Maryland

Executive MBA course in strategic management. Responsible for grading and advising graduate students.

Spring 2013, Spring 2014, Spring 2015

Strategic Innovation and Entrepreneurship TA, University of Maryland

Executive MBA course on innovation and entrepreneurship. Responsible for grading and advising graduate students.

Spring 2013, Spring 2014, Spring 2015

Data Analysis, Ernst & Young

Professional course in financial data collection, validation, and analysis. Responsible for developing syllabus, lecturing, and leading data analysis exercises.

REFEREEING FOR

Administrative Science Quarterly, Strategic Management Journal, Organization Science, Academy of Management Annual Meeting, Strategic Management Society Annual International Conference

OTHER SERVICE

- 2017 18 Co-founder, Computational Social Science University of Maryland. A group, with over 200 members, committed to rigorous social science research methods. The group meets monthly to learn about cutting-edge tools, methods, and data.
- 2017 Organizer, DRUID PDW Perspectives on Mobility and Entrepreneurship
- 2017 Organizer, AOM Symposium Strategic Human Capital: Employee Mobility and Entrepreneurship
- 2016 Coordinator, Strategy Ph.D. Workshop/Symposium (UMD)
- 2015 Organizer, AOM Symposium Employee Mobility and Entrepreneurship: Theoretical Synthesis and New Frontiers
- 2013 Organizer, New PhD Student Bootcamp (UMD)

PROFESSIONAL EXPERIENCE

- 2006 12 Ernst & Young (EY) Manager, Advisory Services
- 2004 06 Telogical Systems Software Developer & Database Administrator