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How Industrial Supportive Policies Drive the Corporation Attention Shifting: A Case Study of BYD from New Energy Vehicles Industry

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1. INTRODUCTION AND RESEARCH QUESTIONS

In an emerging economy such as China, the government guides economic activity by formulating industrial supportive plans and policies, including the provision of various scarce resources^[1] to drive industry development, which motivate corporations to respond and make strategic regulations. Disruptive technologies such as new energy vehicles are technologies that change existing economic sectors, production and consumption principles, causing a broader social transformation^[2]. Their technological barriers lead to the inability to develop related industries only by corporations themselves, which requires government's coordination and policy drive^[3]. Based on Attention-based view^[4], market orientation^[5] and policy orientation, we analyze the industrial supportive policy and its change as an element of Situated attention, establish a three-dimensional framework of "motivate-regulate-shift" about the BYD's attention focus shifting regulated by structure attention.

Therefore, this study will explore a more detailed process on BYD's response to the change in industrial support policy. Our research questions are as follows: (1) How the three metatheories of ABV work and apply to each other? (2) How changes in industry support policies can shift the focus of business attention? (3) How corporation responsiveness is reflected through the attention structures?

2. THEORY AND RESEARCH FRAMEWORK

Based on the ABV, market orientation and policy orientation, the research framework are proposed here in (Figure 1).

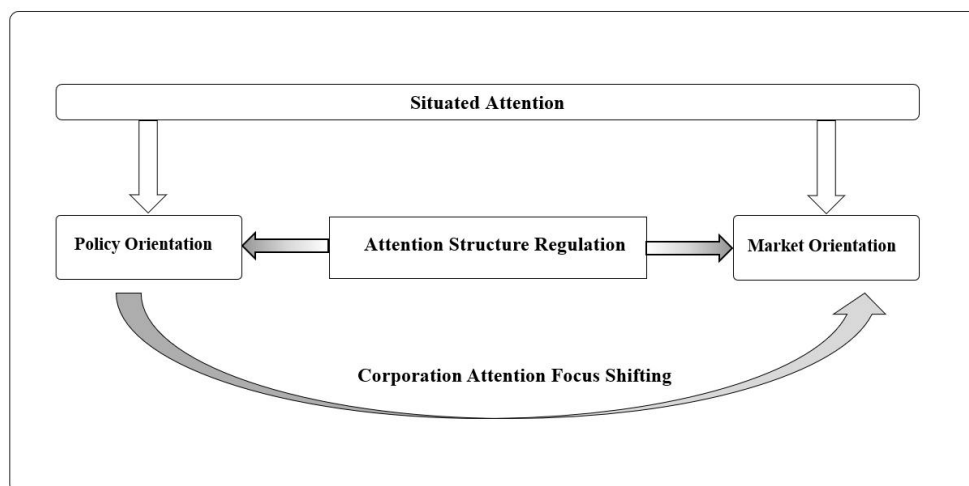


Figure 1. Research framework

The data collection is divided into two parts: (1) BYD's corporate data : From BYD's official website, annual reports, industry development reports, and Internet news, and we continuously tracked the updates of secondary information. (2) Policy information: Through the database of "Political Eyesight", and used the China Government Website, Policy Research Reports, we obtain policy implementation.

3. RESULTS AND MAJOR FINDINGS

This study observed some valuable and interesting findings: On the one hand, we establish a framework that

summarized in three dimensions of "motivate-regulate-shift" (1) Policy changes serve as a situated attention to motivate strategic actions. (2) The strategic action of the company is reflected in the four regulators. (3) The regulate of the attention structure reflects the change of the corporate attention focus shift from policy orientation to market orientation. Moreover, through the description of the case and the framework, two phases of China's NEV industrial supportive policy are identified, with the former phase aiming to guide the convergence of resources for industrial development and the latter phase aiming at the marketisation of industry when the industry has reached a certain scale. On the other hand, we open the black box of corporate attention shifting. Firstly, driven by the changing of policies, firms' regulation in every aspect from strategic direction and organizational restructuring to personnel allocation, resource acquisition and allocation promotes their attention focus to market orientation, which is an inside-out and gradually permeable shifting process. Secondly, as disruptive technology companies, all these strategic responses motivated by policies promote companies' ability to improve their innovation R&D and output results, which in turn enable them to develop a competitive advantage at the technology level.

4. CONTRIBUTIONS

The contributions of this study can be summarized as follows: Firstly, from the theoretical application perspective, we extend the research and application of Situated attention based on ABV. We analyze the industrial supportive policy and its change as an element of Situated attention. This provides an empirical case study for the ABV in the context of policy situated attention. Meanwhile, we demonstrate the relationship and the process of action between the three metatheories of ABV, further enriching the application of the theory. These are conducive to provide new ideas for subsequent researches about this theory, especially the policy element in emerging markets.

In addition, from a view of practical, we explore a case study about how BYD complete the shifting from policy to market orientation through a series of strategic actions driven by industrial supportive policies. This finding provides lessons for NEV corporations to become more policy sensitive and more innovative R&D emphasized in the disruptive technologies industry.

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