

Discipline: Management

1. Title

Advanced Topics in Strategic Management Research

2. Lecturer

Prof. Michael J. Leiblein, PhD, Fisher College of Business, Ohio State University
Prof. Dr. Thomas Mellewig, Freie Universität Berlin

3. Date and Location

11.-14. Juni 2018 Berlin

4. Course Description

4.1 Abstract

This course is a doctoral level seminar on the major theoretical approaches in the field of strategic management. The main objective of the course is to familiarize doctoral students with the basic assumptions, concepts and theories underlying the field. In essence, we want to help doctoral students to become independent scholars who are knowledgeable on the major theories in the field of strategy. We typically start with reading the seminal work on the topic, followed by examining several recent empirical applications of the theory. The course is comprehensive, encompassing the following domains: Overview of the field of Strategic Management, Industrial Organization Approaches to Strategy, Resource-based View Approaches to Strategy, Transaction Cost Economics and Vertical Integration, Real Options and Sequential Decision Making, Principal-Agent Theory and Corporate Governance, Top Executives and the Upper-Echelons Perspective, the Governance Performance Relationship..

4.2 Schedule

Day 1 (11.6. 18), 10-17:

- (1) Overview and Origins of the field of Strategic Management: What is Strategy?
What is performance?
- (2) Lunch
- (3) Industrial organization approaches to Strategy
- (4) Talk on PhD / Early career (1h)

Day 2 (12.6. 18), 09-17:

- (1) RBV Approaches to Strategy
- (2) Lunch
- (3) TCE, Contracting and Vertical Integration
- (4) Talk on Research and Publishing (1h)

Day 3 (13.6. 18), 09-17:

- (1) Real options and Sequential Decision Making
- (2) Lunch
- (3) Principal Agent theory & Corporate Governance
- (4) Talk on the R&R process (1h)

Day 4 (14.6. 18), 09-17:

- (1) TMT and Upper Echelon
- (2) Lunch
- (3) The Governance Performance Relationship
- (4) Talk on the job search (1h)

5. Course material

**5.1 Reading on Overview and Origins of the field of Strategic Management: What is Strategy?
What is performance? Led by Michael Leiblein**

Required Readings

Brandenburger, A.M., H.W. Stuart. 1996. Value-based business strategy. *Journal of Economics & Management Strategy* 5(1) 5–24.

Ghemawat, P. (2002). Competition and business strategy in historical perspective. *Business History Review*, 76(1), 37-74.

Oxley, J., Rivkin, J. W., Ryall, M. D., & the Strategy Research Initiative. 2010. The Strategy Research Initiative: Recognizing and encouraging high-quality research in strategy. *Strategic Organization*, 8: 377-386.

Rumelt, R.P., Schendel, D. & Teece, R.J. (1994). History of strategic management, Fundamental Issues in Strategy: A research agenda. *HBS Press*, 9-24.

Additional Readings

Andrews, K.R. (1971). The Concept of Corporate Strategy. (Chapters 1 and 2). Irwin.

Hambrick, D.C. & J.W. Frederickson. 2001. Are you sure you have a strategy? *The Academy of Management Executive*, 15(4): 48-59/

Porter, M.E. (1996). What is strategy? *Harvard Business Review*, 61-78.

Prahalad, C.K. & Hamel, G. (1994). Strategy as a field of study: Why search for a new paradigm. *Strategic Management Journal*, 15 (special issue), 5-16.

5.2 Reading on Industrial Organization Approaches to Strategy. Led by Michael Leiblein

Required Readings

Caves, R. & Porter, M. (1977). From entry barriers to mobility barriers: Conjectural decisions and contrived deterrence to new competition. *Quarterly Journal of Economics*, 91, 261-261.

Porter, M.E. (1981). The contributions of industrial organization to strategic management. *Academy of Management Review*, 609-620.

Rumelt, R. (1991). How much does industry matter. *Strategic Management Journal*, 12(3), 167-185.

Schmalensee, R. (1985). Do markets differ much? *American Economic Review*, 341-351.

Additional Readings

Klepper, S., & Graddy, E. 1990. The evolution of new industries and the determinants of market structure. *RAND Journal of Economics*, 21: 27-44.

Makadok, R. and Ross, D.G. 2013. Taking Industry Structuring Seriously: A Strategic Perspective on Product Differentiation. *Strategic Management Journal* 34(5): 509-532.
<http://www.jstor.org/stable/10.2307/23471056>

Gimeno, J. 1999. Rivalry: Staking Out 'Spheres of Influence' in the U.S. Airline Industry. *Strategic Management Journal* 20(2): 101-128. <http://www.jstor.org/stable/3094021>

Sharon Oster. 1994. Modern Competitive Analysis. Chapter 2.

5.3. Reading on RBV Approaches to Strategy. Led by Michael Leiblein

Required Readings

Barney, J.B. 1986. Strategic factor markets: Expectations, luck, and business strategy. *Management Science*, 32: 1231-1241. <http://www.jstor.org/stable/2631697>

Cockburn, I. M., Henderson, R. M., & Stern, S. 2000. Untangling the origins of competitive advantage. *Strategic Management Journal*, 21(10-11): 1123-1145.

Lippman, S. and R. Rumelt (1982). Uncertain Imitability: An analysis of Inter-firm Differences in Efficiency under Competition. *Bell Journal of Economics*, 13, 418-438.

Peteraf, M.A. (1993). The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal*, 179-191.

Additional Readings

Eisenhardt, K.M. and Martin, J.A. 1997. Dynamic capabilities: What are they? *Strategic Management Journal*, 21: 1105-1121. <http://www.jstor.org/stable/3094429>

Kraaijenbrink, J., Spender, J.C., & Groen, A.J. 2010. The resource-based view: A review and assessment of its critiques," *Journal of Management*, 36: 349-372.

Leiblein, MJ. 2011. "What do resource and capability theories propose?" *Journal of Management*. Vol. 37(4): 909-932. DOI 10.1177/0149206311408321.
<http://jom.sagepub.com/content/37/4/909.abstract>

Priem, R. & Butler, J.E. (2001). Is the resource-based "view" a useful perspective for strategic management research? *Academy of Management Review*, 26(1), 22-40.

5.4. Readings on TCE, Contracting and Vertical Integration. Led by Thomas Mellewig

Required Readings

Coase, R.H. (1937). The nature of the firm. *Economica*, 4(16), 386-405.

Gibbons, R. (2005). Four formal(izable) theories of the firm? *Journal of Economic Behavior & Organization*, 58(2), 200-245

Macher, J. T., & Richman, B. D. (2008). Transaction cost economics: An assessment of empirical research in the social sciences. *Business & Politics*, 10(1), 1-63.

Williamson, O.E. (1991). Comparative economic organization: The analysis of discrete structural alternatives. *Administrative Science Quarterly*, 36(2), 269-296.

Additional Readings

Alchian, A. A., and H. Demsetz. 1972. Production, Information Costs, and Economic Organization. *The American Economic Review*, 62, 777-795.

Foss, K. and N.J. Foss. 2005. Resources and transaction costs: how property rights economics further the resource based view. *Strategic Management Journal*, 26(6): 541-553

Ghoshal, S. & Moran, P. (1996). Bad for practice: A critique of the transaction cost theory. *Academy of Management Review*, 21(1), 13-47.

Williamson, O.E. (2010). Transaction cost economics: The natural progression. *American Economic Review*, 100(3), 673-690.

5.5. Readings on Real Options and Sequential Decision Making. Led by Michael Leiblein

Required Readings

Adner, R. & Levinthal, D.A. (2004). What is not a real option: Considering boundaries for the application of real options to business strategy. *Academy of Management Review*, 29(1), 74-85.

Kogut, B. & Kulatilaka, N. (2001). Capabilities as real options. *Organization Science*, 12, 744-758.

McGrath, R.G. (1997). A real options logic for initiating technology positioning investments. *Academy of Management Review*, 22, 974-996.

Posen, H., M. Leiblein, and J. Chen. 2016. A Behavioral Theory of Real Options.
<http://ssrn.com/abstract=2540214>.

Additional Readings

Bowman, E. H. & Hurry, D. (1993). Strategy through the options lens: An integrated view of resource investments and the incremental choice-process. *Academy of Management Review*, 18 (4), 760-782.

Miller, K. D., & Shapira, Z. (2004). An empirical test of heuristics and biases affecting real option valuation. *Strategic Management Journal*, 25(3): 269-284.

Sakhartov, A.V., T.B. Folta. 2014. Resource relatedness, redeployability, and firm value. *Strategic Management Journal*, 35(12), 1781-1797.

Trigeorgis, L. & J. Reuer. Forthcoming. Real options theory in strategic management. *Strategic Management Journal*.

5.6. Readings on Principal Agent Theory & Corporate Governance. Led by Thomas Mellewig.

Required Readings

Eisenhardt, K.M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 57-74.

Jensen, M.C. & Meckling, W.H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, 3(4), 305-360.

Zajac, E. and Westphal, J. 1994. The costs and benefits of managerial incentives and monitoring in large U.S. corporations. *Strategic Management Journal*, 15: 121-142.
<http://www.jstor.org/stable/2486814>

Zenger, T. 1994. Explaining organizational diseconomies of scale in research and development: Agency problems and the allocation of engineering talent, ideas and effort by firm size. *Management Science*, 40: 708-729.

Additional Readings

Amihud, Y. & Lev, B. 1999. Does corporate ownership structure affect its strategy towards diversification? *Strategic Management Journal*, 20(11): 1063-1069.

Fama, E. 1980. Agency problems and the theory of the firm. *Journal of Political Economy*, 288-307.
<http://www.jstor.org/stable/1837292>

Morck, R., Shleifer, A. & Vishny, R. (1988). Management ownership and market valuation: An empirical analysis. *Journal of Financial Economics*, 293-315.

Shin, H-H., and R. M. Stulz (1998). Are Internal Capital Markets Efficient? *The Quarterly Journal of Economics*, May, 531-552.

5.7. Readings on TMT and Upper Echelon. Led by Thomas Mellewig

Required Readings

Carpenter M, Sanders W, Geletkanycz M. 2004. Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management*, 60: 749-778.

Chatterjee, A. & Hambrick, D.C., 2007. "It's all about me: Narcissistic CEOs and their effects on company strategy and performance. *Administrative Science Quarterly*, 351-386.

Hambrick, D. & Mason, P. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 193-206.

Westphal, J. D., and E. J. Zajac (1997). Defections from the Inner Circle: Social Exchange, Reciprocity, and the Diffusion of Board Independence in U.S. Corporations. *Administrative Science Quarterly*, 42, 161-183.

Additional Readings

Hambrick, D. (2007). Upper echelons theory: An update. *Academy of management review*.

Hillman, A.J. & T. Dalziel. 2003. "Boards of directors and firm performance: Integrating agency and resource dependence perspectives". *Academy of Management Review*, 28(3), 383- 396.

McDonald, M., P. Khanna, & J.D. Westphal. 2008. "Getting them to think outside the circle: Corporate governance, CEOs' external advice networks, and firm performance". *Academy of Management Journal*, 51(3), 453-475.

Nadkarni, S. & Herrmann, P., 2010. "CEO personality, strategic flexibility, and firm performance: The case of the Indian business process outsourcing industry." *Academy of Management Journal*, 1050-1073.

5.8. Readings on the Governance Performance Relationship.

Required Readings

Hoetker, G. and T. Mellewigt. 2009. Choice and performance of governance mechanisms: matching alliance governance to asset type. *Strategic Management Journal*, 30: 1025-1044.

Leiblein, M. J., Reuer, J. J., & Dalsace, F. 2002. Do make or buy decisions matter? The influence of organizational governance on technological performance. *Strategic Management Journal*, 23(9): 817- 833.

Nickerson, J. and B. Silverman. 2003. Why firms want to organize efficiently and what keeps them from doing so: Inappropriate governance, performance and adaptation in a deregulated industry. *Administrative Science Quarterly*, 48: 433:465 <http://www.jstor.org/stable/3556680>

Sampson, R. 2004. The cost of misaligned governance in R&D alliances. *Journal of Law, Economics and Organization*, 20: 484-526.

Additional Readings

Bercovitz, J., S. Jap and J. Nickerson 2006. The antecedents and performance implications of cooperative exchange norms. *Organization Science*, 17(6) : 724-740.

Masten, S., J. Meehan, and E. Snyder. 1991. The costs of organization. *Journal of Law, Economics and Organization*, 7: 1-22.

Mellewigt, T., G. Hoetker, and C. Decker. (2016). Does it matter if you got it wrong? Governance misalignment, opportunism and performance. Working Paper.

Oxley, J.E. (1999). Institutional environment and the mechanisms of governance: The impact of intellectual property protection on the structure of inter-firm alliances. *Journal of Economic Behavior and Organization*, 38(3), 283-309.

6. Administration

6.1. Max. number of participants

The number of participants is limited to 20

6.2. Assignments and Assessment

Students will have to read core readings and prepare individual, one- to two-page reading summaries for one of the readings in each session. In addition, those assigned a reading summary will be asked to prepare a 10-minute presentation of their individual reading assignment.

6.3. Credits

The course is eligible for 6 ECTS.