MOR 603: Seminar in Strategic Management
Marshall School of Business
University of Southern California
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Thursday 12:00 – 2:50
Hoffman 706

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Course Description

The literature in strategic management attempts to explain the differences in the performance of organizations. This is a very high level objective and the strategy literature has many branches that explore different aspects of internal organizational design and decision making as well as the role of external factors such as industry and the institutional environment. Understanding factors that make organizations more or less successful requires an examination of different levels of analysis, from individuals (as the ultimate decision makers) to teams (or groups/divisions) to entire organizations to industries and then to countries.

The intent of this seminar is to provide an introduction to work in the field of strategic management to enable doctoral students to build upon it and publish either in the field of strategy or in related fields (marketing, accounting, economics, etc.). Many research questions examined in the field of strategy are also explored in other fields (vertical integration, the role of alliances/networks, organizational decision-making, etc.), but strategy tends to have a slightly different focus that effectively complements work in related fields.

The seminar begins by exploring the key theories that form the foundation of the field of strategy including transaction cost economics, agency theory, the resource-based view of the firm, knowledge-based views, industrial organization economics and evolutionary theories. We then move on to explore areas of strategy research in which these theories are applied, including (but
not limited to) corporate governance, entrepreneurship, global strategy, alliances, mergers & acquisitions, non-market strategy (dealing with the institutional environment), and organizational design.

Over the course of the semester, you will:

- Read and critique a selected number of articles published in the leading journals of the field carefully chosen to reflect diverse theoretical and empirical traditions;
- Evaluate strategic management questions from different theoretical perspectives;
- Constructively critique empirical research;
- Formulate novel research ideas that advance the field of strategic management;
- Develop ideas into a research paper (conceptual or empirical) that will meet the standards for inclusion in a competitive academic conference.

**Grading:**

<table>
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<tr>
<th>Component</th>
<th>Weight</th>
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<tr>
<td>Participation in weekly discussions</td>
<td>20%</td>
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<tr>
<td>Session roles (primary and secondary)</td>
<td>35%</td>
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<tr>
<td>Paper</td>
<td>35%</td>
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<tr>
<td>Critique of classmate’s paper</td>
<td>10%</td>
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**Student Discussants.** Most weeks, we will have three student discussants: a primary discussant and two secondary discussants. Each seminar attendee will get a chance to perform both these roles.

The job of the primary discussant is to open the seminar with a (roughly) 10 minute session opener talk and then use that to drive our discussion of the themes that emerge from considering each paper’s motivations, argumentation, and implications. The best papers we read will be strong in all three dimensions and, in so doing, teach us about their topics while also teaching about the craft of doing great research. You should know, however, that not all assigned papers meet this standard equally well, by design. Make and share your own judgments about differences in importance and quality of the assigned papers, and be prepared to debate your conclusions with others!

The primary discussant should use the following guidelines in preparing for the session.

1. Time allotted: approximately 10 minutes of the session
2. Brings a handout for everyone: 2-4 pages (single-spaced, including diagrams and figures/tables)
3. No PowerPoint slides
4. No summaries of the readings
5. Diagrams or tables are helpful
6. Analytical narrative is permitted, but please keep it focused and short
7. Conclude with a set of questions that we will debate and discuss
These questions should address the overall research area and include, but not be limited to, additional research questions that need to be addressed to help move research in this area forward.

The best openers will lead to discussions that cover the papers thoroughly because we are asking hard questions about the value of the paper, whether it succeeds in conveying its main message/conclusion, and what we might do next. All this goes well beyond just figuring out what is in the papers.

In sum, good primary discussants will deliver an opener that does the following:

- Integrates the readings using an analytical framework
- Identifies and makes explicit the commonalities and differences in implicit assumptions that underlie the various readings
- Where possible, exposes theoretical gaps with suggest avenues for development beyond the readings
- Engages the other seminar participants in a discussion of the readings by taking a clear and perhaps provocative position!
- AVOID questions such as —What do you think of the authors’ arguments? or — Do you agree with that point? Your job is to have a position on these issues.

The secondary discussants will focus their attention on specific papers. Their responsibility is to highlight key strengths and weaknesses of each paper, theoretical as well as methodological. They should also, wherever possible, identify ways in which these weaknesses could be addressed in future research.

For each paper, you should identify at least one substantive research question that was sparked by the paper. This could be something to address a weakness in the paper or to follow up on idea that the results in the paper may generate. You can be creative here; the idea is to think about what kinds of things you would want to study if you were to do a paper targeted to the literature/scholars the author of this paper is addressing.

Depending on the number/complexity of the papers allotted to a secondary discussant, s/he can expect to spend 10+ minutes critiquing the papers. Please bring a handout summarizing observations on each paper (no more than one page per assigned paper – can be even shorter).

**Research Paper.** The goal for this assignment is that you develop a paper that you will submit to the Academy of Management conference (or the appropriate professional conference for your field). You have three options for this:

1) *Empirical Project Proposal:* abstract, theory, hypotheses, research design, and discussion of anticipated contributions. Note that this does not include any requirement for data collection or analysis—that will come later after the completion of the course. In previous years, students developed an idea of what they’ll do during the semester and then work on it during the spring and over the summer.
2) *Complete Empirical Paper:* same as (1) but with data collection, analysis, and discussion of results. This is much tougher (!), so you probably only want to take this route if you already have data or know a faculty member who has data you can use (many of us do), or a strong lead on data that you can get quickly. Because of the additional burdens of data collection and analysis, we do not require you to perform all of the analyses a full paper would require. Again, that will come later.

3) *Theory Paper:* following the format of the theory papers you will see in our readings (especially papers published in the Academy of Management Review), this will require a clear statement of the problem; review of the prior literature; development of a new perspective, approach, theory, framework, etc. (perhaps but not necessarily including clear propositions); and conclusion with discussion of potential strategies for empirical research.

An interim version of your research paper is due on **March 3rd**. We will provide feedback to you by March 10th. The final version of the paper is due at the end of the semester (date TBD).
WEEK 1  January 14 (KJM & NJ):  Introduction to the field of strategic management


ADDITIONAL READING: ¹


WEEK 2  January 21 (NJ):  Economic theories of strategy—Industrial organization, Agency Theory, and Property Rights

Primary Discussant:

Secondary Discussant (first three papers):

(Industrial Organization)


(Agency theory, Property rights)


Secondary Discussant (second three papers):


¹ All papers listed under ADDITIONAL READINGS in this syllabus will not be discussed in class but are ones you might want to check out if you have interest in these topic areas.
ADDITIONAL READING:
(Read more on agency theory online: http://www.referenceforbusiness.com/encyclopedia/A-Ar/Agency-Theory.html)

WEEK 3 January 28 (NJ): Transaction cost economics

Primary Discussant:

Secondary Discussant (first three papers):
(Basics)

Secondary Discussant (last four papers):
(Controversy & Empirical Assessment)
Williamson, O.E. 1996. “Economic organization: The case for candor”. Academy of
Management Review. 21: 48-57

ADDITIONAL READINGS:

WEEK 4 February ? (KJM): Resource-based view of strategy  SESSION TO BE RESCHEDULED EARLIER IN THE WEEK

Primary Discussant:

Secondary Discussant (first three papers):
(Foundations)

Secondary Discussant (last four papers): David
(Challenges)

WEEK 5 February 11 (KJM): Knowledge-based view/Dynamic capabilities

Primary Discussant:

Secondary Discussant (first three papers):


Secondary Discussant (last four papers):


(Integrating capability and governance perspectives)


ADDITIONAL READINGS:


WEEK 6  February 18 (NJ):  Economics of Organization
*Guest speaker: Yanhui Wu (Marshall FBE)

Primary Discussant:

Secondary Discussant (first two papers):

(Facts)


(Incentive View of Organizational Structure)


Secondary Discussant (latter three papers):

ADDITIONAL READINGS:
Gibbons, R. "Why Organizations Are Such a Mess (and What an Economist Might Do About It)" Section 1, unpublished

WEEK 7 February 25 (NJ): Strategy in an International Context

Primary Discussant:

Secondary Discussant (first three papers):

Secondary Discussant (last two papers):
WEEK 8    March 3 (Shon Hiatt): Entrepreneurship

Primary Discussant:

Secondary Discussant (first three papers):
(Overview of the field)

(Institutions and entrepreneurship)

(New Venture Formation)

Secondary Discussant (last three papers):
(New Venture Resource Attainment)

(New Venture Planning & International Entrepreneurship)

(New Venture Performance)

WEEK 9    March 10 (KJM): Alliances/Vertical Integration

Primary Discussant:

Secondary Discussant (first three papers):


**Secondary Discussant (last three papers):**

**ADDITIONAL READING:**

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WEEK 10 March 24 (KJM): Mergers & Acquisitions, Diversification

**Primary Discussant:**

**Secondary Discussant (first three papers):**

**Secondary Discussant (first three papers):**

**ADDITIONAL READING:**

WEEK 11   March 31 (Lori Yue): Corporate governance: Institutional and Structural Perspectives

Primary Discussant:

Secondary Discussant (first two papers):

Secondary Discussant (last three papers):

ADDITIONAL READING:


WEEK 12  April 7  (Nandini Rajagopalan) Corporate Governance: Boards of Directors and Top Management Teams

Primary Discussant:

Secondary Discussant (first three papers):

Secondary Discussant (last three papers):
Diestre, L., N. Rajagopalan, & S. Dutta. 2014. “Acquiring and utilizing directors’ experience: an empirical study of new market entry in the pharmaceutical industry” (A shorter version of this paper is titled “Constraints in acquiring and utilizing directors' experience: An empirical study of new-market entry in the pharmaceutical industry” and forthcoming at the Strategic Management Journal)

ADDITIONAL READING ON CORPORATE GOVERNANCE:

WEEK 13  April 14 (KJM):  Cognition and strategy: A behavior view
Primary Discussant:

Secondary Discussant (first three papers):

Secondary Discussant (last two papers):

WEEK 14 April 21 (Frank Nagle): In pursuit of competitive advantage: Technology and innovation

(READINGS FOR THIS WEEK ARE TENTATIVE AND LIKELY TO CHANGE)
(DATE OF THIS SESSION WILL CHANGE TO M/W)

Primary Discussant:

Secondary Discussant (first three papers):

Secondary Discussant (last three papers):

WEEK 15  April 28 (KJM & NJ): Final presentations

ADDITIONAL READINGS ON STRATEGIC MANAGEMENT TOPICS

Innovation/Competitive Dynamics


ADDITIONAL READINGS


**Strategic decision process**


**Strategic Change & Adaptation**


**Organizational learning and behavioral theory of the firm**


