MOR 603: Seminar in Strategic Management  
Marshall School of Business  
University of Southern California  
Fall 2018  
Monday 11:00 – 13:50  
Hoffman 706 (room updated on 8/15)

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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:

- Participation in weekly discussions: 20%
- Session roles (primary and secondary): 35%
- Paper: 35%
- Critique of classmate’s paper: 10%

**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 Monday September 24th (Week 6). I will provide feedback to you in the following week.

Please email a draft of your paper on the last day of class (Week 15) on Monday November 26th, and provide comments on a designated peer student’s paper on Monday December 3rd. The final paper is due on Monday December 10th.
WEEK 1 August 20 (NJ): Introduction to the field of strategic management


WEEK 2 August 27 (NJ): Economic theories of strategy—Industrial organization, Agency Theory, and Behavioral Perspectives

Primary Discussant:

Secondary Discussant (first three papers):

(Industrial Organization)


(Agency theory)


Secondary Discussant (second three papers):


(Behavioral perspectives of economic incentives)


ADDITIONAL READING:
(Read more on agency theory online: http://www.referenceforbusiness.com/encyclopedia/A-Ar/Agency-Theory.html)

WEEK 3  September 3: Labor Day Holiday, no class

WEEK 4  September 10 (NJ):  Property Rights Theory & Transaction Cost Economics

Primary Discussant:

Two Secondary Discussants (first three papers):

Secondary Discussant (last three papers):
(Transaction Cost Economics)

(Read Last: a non-academic summary paper)
ADDITIONAL READINGS:


*(Theoretical debates and empirical evidence of TCE)*


**WEEK 5** September 17 (Yanhui Wu & NJ): Economics of Organization

**Primary Discussant:**

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

*(Facts)*


Bloom, N. R. Sadun, and J. Van Reenen. “The Organization of Firms across Countries,” Quarterly Journal of Economics, 2012, September. (An updated version of Rajan and Wulf in a richer setting. The research methodology is more rigorous. But it is a money-burning project.)

*(Incentive View of Organizational Structure)*

authority affects organizational design.)


Secondary Discussant (latter three papers):

(Coordination View of Organizational Structure)


(Provide an economic perspective to discuss several issues relating to the role of knowledge and communication in management. For readers with a good quantitative background, the circulated technical version of the paper may be more valuable as it offers a formal framework to build models.)


(One advantage of the coordination model of organizational structure is that it can be embedded in market equilibrium models. This paper skillfully shows how this can be done to address big picture questions.)


(One of the first rigorous papers that examine the impact of IT on firm organization. An example of excellent empirical work even without being able to identify causal effects.)

ADDITIONAL READINGS:


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


WEEK 6 (NJ): Resource-based view, Knowledge-based view, & Dynamic Capabilities

**NEED to reschedule due to the SMS conference**
Primary Discussant:

Secondary Discussant (first four papers):
(Foundations)

Secondary Discussant (last three papers):
(Dynamic capabilities)

(Knowledge-based view)

ADDITIONAL READINGS
(Challenging RBV)

(More on dynamic capabilities)

(More on KBV)

(Integrating capability and governance perspectives)

WEEK 7 October 1 (NJ): Diversification; Alliances and Interfirm Relationships; Merges and Acquisitions
Primary Discussant:

Secondary Discussant:
(Diversification and Divestiture)
(Alliance)

Secondary Discussant (second three papers):
(M&A)

[ADDITIONAL READINGS]


WEEK 8 October 8 (Joe Raffiee & NJ): Strategic Human Capital
Primary discussant:

Secondary discussant:


Secondary discussant:


Byun, H., Raffiee, J., & Ganco, M. Employee capability discontinuities and firm knowledge space: Working Paper

[ADDITIONAL READINGS]


Sorenson O, Rogan M. 2014. (When) do organizations have social capital? *Annual Review of Sociology*

**WEEK 9  October 15 (NJ):  Non-market strategy**

**Primary Discussant:**

**Second Discussant (First three papers):**

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

**ADDITIONAL READINGS**

**WEEK 10 October 22 (NJ): Corporate Governance: Boards of Directors, Top Management Teams, and Shareholder relationships in Emerging Markets**

**Primary Discussant:**

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

**Secondary Discussant (last three papers):**
* (Corporate governance in emerging market firms)

**ADDITIONAL READING ON CORPORATE GOVERNANCE:**


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*).

**WEEK 11 October 29 (Kyle Mayer & NJ): Behavioral Strategy**

**Primary Discussant:**

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


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


**ADDITIONAL READINGS**

**WEEK 12 November 5 (Milan Miric & NJ): Technology, innovation, and information systems**

*Readings will be updated*

**Primary Discussant:**

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


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


**ADDITIONAL READINGS**


WEEK 13 November 12 (Dan Fehder & NJ): Entrepreneurship: An Economic Perspective
Note the change of time: may start at 10am

Primary Discussant:

Secondary Discussant (first three papers):

Secondary Discussant (first three papers):
Fehder and Hochberg, 2017. Accelerator Programs and the Regional Supply of Venture Capital

WEEK 14 November 12 (Shon Hiatt & NJ): Entrepreneurship: An Institutional Perspective
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 15 November 26 (NJ):  Final presentations**

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**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


Alliances/Vertical Integration


Mergers & Acquisitions, Diversification, Divestiture


ADDITIONAL READING:


Cognitive Perspectives of Technology Management and Corporate Governance


Rindova, VP. 1999. What corporate boards have to do with strategy: A cognitive perspective Journal of management studies 36 (7), 953-975


Rindova, VP, AP Petkova. 2007. When is a new thing a good thing? Technological change, product form design, and perceptions of value for product innovations, Organization Science 18 (2), 217-232
