MOR 603: Seminar in Strategic Management
Marshall School of Business
University of Southern California
Fall 2020
Monday 10:00 – 12:50pm

(Zoom info upon request)

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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:**

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<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
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 Thursday October 3rd (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 Thursday December 5th, and provide comments on a designated peer student’s paper on Thursday December 13th. The final paper is due on Thursday December 13th.
WEEK 1  August 17 (NJ):   Introduction to the field of strategic management


WEEK 2  August 24 (NJ):   Economic theories of strategy—Industrial organization, Agency Theory, and Behavioral Perspectives

Secondary Discussant:
(Industrial Organization)


(Agency theory)


Secondary Discussant:


Secondary Discussant:
(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 August 31 (NJ): Transaction Cost Economics

Secondary Discussants: (Transaction Cost Economics)

Secondary Discussants: (Debate)

(a non-academic summary paper)

ADDITIONAL READINGS:
(Property rights theory)


(Theoretical debates and empirical evidence of TCE)


WEEK 4 September 7: No class

University Closed; Labor Day Holiday

WEEK 5 September 14 (NJ): Resource-based view, Knowledge-based view, & Dynamic Capabilities

Secondary Discussant (first four papers):

(Foundations)


Secondary Discussant:
(Dynamic capabilities)

(Knowledge-based view)

ADDITIONAL READINGS
(Challenging RBV)

(More on dynamic capabilities)

(More on KBV)

(Integrating capability and governance perspectives)

WEEK 6  September 21 (Kyle Mayer & NJ): Behavioral Strategy

Primary Discussant:

Secondary Discussant (first three papers):

Secondary Discussant (last three papers):

ADDITIONAL READINGS

WEEK 7  September 28 (NJ): Non-market strategy

Primary Discussant:

Second Discussant (First three papers):

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

**ADDITIONAL READINGS**

**WEEK 8 October 5 (NJ): (NJ): Diversification; Alliances and Interfirm Relationships; Merges and Acquisitions**

**Secondary Discussant:**
*(Diversification and Divestiture)*
*(Alliance)*
*(M&A)*
[ADDITIONAL READINGS]


*to assign discussants later

WEEK 9 October 12 (NJ): Emerging Technologies in Management

Secondary Discussant

Secondary Discussant

WEEK 10 October 19 (Milan Miric & NJ): Technology, innovation, and information systems

Secondary Discussant (first three papers): Tom
Secondary Discussant (last three papers): Tom

ADDITIONAL READINGS

WEEK 11  October 26 (Joe Raffiee & NJ): Strategic Human Capital

Primary discussant:

Secondary discussant:
Secondary discussant:


Secondary discussant:

Byun, H., Raffiee, J., & Ganco, M. Forthcoming. Employee capability discontinuities and firm knowledge space. *Organization Science*


[ADDITIONAL READINGS]


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

WEEK 12 November 2 (Nandini Rajagopalan & NJ): Corporate Governance: Boards of Directors, Top Management Teams, and Shareholder relationships in Emerging Markets

Secondary Discussant (first three papers):


Secondary Discussant (last three papers):

(B)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 13 November 9 (NJ): Final presentations
To be rescheduled, date TBA

ADDITIONAL READINGS ON STRATEGIC MANAGEMENT TOPICS

Competitive Dynamics

Forthcoming.
Joel A. C. Baum & Helaine J. Korn. 1996. “Competitive Dynamics of Interfirm Rivalry.”

Innovation

Strategic decision process

Strategic Change & Adaptation


Organizational learning and behavioral theory of the firm


Alliances/Vertical Integration


Mergers & Acquisitions, Diversification, Divestiture

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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


Entrepreneurship: An Institutional Perspective
(Institutions and Entrepreneurship)


*(Legitimacy & Entrepreneurial Efforts)*


**Entrepreneurship: An Economic Perspective**


Fehder and Hochberg, 2017. Accelerator Programs and the Regional Supply of Venture Capital


**Economics of Organization**

*(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-


Garicano, Luis and Yanhui Wu, 2012, “Knowledge, Communication, and Organizational Capabilities.” Organization Science, 2012:23(5), 78(2), pp. 1382-97 (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.)


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


Garicano, Luis and Esteban Rossi-Hansberg, 2015, “Knowledge-Based Hierarchies: Using Organizations to Understand the Economy.” Annu. Rev. Econ. 2015. 7:1–30 (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.)