



MOR 603: Seminar in Strategic Management

Fall 2024

Monday 10:00-12:50pm in HOH 706

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Office Hours: 1-2pm on Mondays, and by appointment

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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.

Learning Objectives

The learning objectives for the PhD class in strategic management include the following:

- **Develop a Deep Understanding of Strategic Management Literature:** Students will gain a comprehensive understanding of foundational theories in strategic management, including transaction cost economics, agency theory, the resource-based view, and other key frameworks. They will be able to critically assess and integrate these theories to analyze organizational performance and decision-making.
- **Formulate and Critique Theoretical Arguments:** Students will learn to construct their own theoretical arguments in strategic management by drawing on both fundamental theories and contemporary phenomena. They will be adept at critiquing existing theoretical frameworks and proposing novel research questions that advance the field.
- **Apply Theoretical Tools to Cutting-Edge Topics:** Students will engage with emerging research topics in strategic management, such as global strategy, corporate governance, and non-market strategies. They will develop the ability to apply theoretical tools to both established and emerging phenomena, and produce high-quality research papers suitable for academic publication and conference presentation.

Required Materials:

All readings are listed below. They are accessible to USC students through the USC libraries and are also uploaded to Brightspace course page.

Grading:

Participation in weekly discussions	20%
Session roles (primary and secondary discussants)	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 **September 30, 2024** (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 14) on **December 2, 2024**. The final paper is due on or before **December 15th**.

Critique of classmate's paper.

In the PhD course, critiquing a classmate's paper is a crucial component, as peer review is an integral part of academic life. Effective reviews involve distinguishing between primary and secondary issues, offering clear and constructive feedback. This process not only highlights areas for improvement but also considers the paper's potential value and suggests ways to address concerns. We will explore these aspects in more detail during class discussions to ensure that all reviews are both insightful and supportive. You will provide comments on a designated peer student's paper on or before **December 15th**.

Course Calendar

WEEK 1 August 26: Introduction to the field of strategic management

Nag, R., D.C. Hambrick & M.J. Chen. 2007. "What is strategic management, really? Inductive derivation of a consensus definition of the field". Strategic Management Journal, 28: 935-955.

Mahoney, J.T. & A.M. McGahan. 2007. "The field of strategic management within the evolving science of strategic organization". Strategic Organization, 5: 79-99.

March, J.G., & R. I. Sutton. 1997. "Organizational performance as a dependent variable". Organization Science, 8(6): 698-706.

Rumelt, R., D. Schendel & D. Teece. 1991. "Strategic management and economics". Strategic Management Journal, 12 (Winter Special Issue): 5-29.

Bloom, N., B. Eifert, A. Mahajan, D. McKenzie, J. Roberts. 2013 "Does Management Matter? Evidence from India". Quarterly Journal of Economics, 128(1): 1-51

Tellis, Gerald. 2017 "Interesting and Impactful Research: On Phenomena, Theory, and Writing." Journal of the Academy of Marketing Science. Also available at <http://gtellis.net/publications>

WEEK 2 September 2: No class

University Closed; Labor Day Holiday

WEEK 3 September 9: Economic theories of strategy—Industrial organization, Agency Theory, and Behavioral Perspectives

Discussant:

(Industrial Organization)

McGahan, A.M. & M.E. Porter (1997), "How much does industry matter, really?" Strategic Management Journal 18(Summer): 15-30

(Agency theory)

Fama, Eugene, and Michael Jensen. "Agency Problems and Residual Claims." Journal of Law and Economic, 26 (1983), 327-349

Discussant:

Jensen, M.C., W.H. Meckling. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics 3 305-360.

Holmstrom, B. and P. Milgrom (1991), "Multitask Principal-Agent Analyses: Incentive Contracts, Asset Ownership, and Job Design" Journal of Law, Economics, and Organization, 7: 24-52

Discussant:

(Behavioral perspectives of economic incentives)

Gneezy U, Meier S, Rey-Biel P (2011) When and why incentives (don't) work to modify behavior. *J. Econom. Perspectives* 25(4):191–209.

Ederer, Florian, Gustavo Manso, (2013) Is Pay for Performance Detrimental to Innovation? *Management Science* 59(7):1496-1513

ADDITIONAL READING:

Porter ME. 1981. The contributions of industrial organization to strategic management. *Academy of Management Review* 6(4): 609–620.

Porter M.E., “The Five Competitive Forces that Shape Strategy.” *Harvard Business Review*

Caves, R.E. & M.E. Porter. 1977. “From entry barriers to mobility barriers”. *Quarterly Journal of Economics*.

Holmstrom, B. and P. Milgrom (1994), “The firm as an incentive system,” *American Economic Review* 84(4): 972-991.

Cremer, J. (1995), “Arm’s Length Relationships”, *Quarterly Journal of Economics*, 110, pp. 275-96.

(Read more on agency theory online:

<http://www.referenceforbusiness.com/encyclopedia/A-Ar/Agency-Theory.html>)

Gibbons, R. 2005. Incentives between Firms (and within). *Management Science* 51(1) 2-17.

Frey, B., Felix Oberholzer-Gee, (1997) The Cost of Price Incentives: An Empirical Analysis of Motivation Crowding- Out, *American Economic Review* 87(4):746-755

WEEK 4 September 16: Economic theories of strategy—Property Rights Theory & Transaction Cost Economics

Secondary Discussants:

Alchian, A. & H. Demsetz (1972), “Production, information costs, and economic organization,” *American Economic Review* 62(December): 777-795.

Grossman, S. and O. Hart (1986), “The Costs and Benefits of Ownership: A Theory of Vertical and Lateral Integration”, *Journal of Political Economy*, 94(4), pp.691-719.

Secondary Discussants:

Hart, O. and J. Moore (1990), “Property Rights and the Nature of the Firm”, *Journal of Political Economy*, 98(6), pp.1119-1158.

(*Transaction Cost Economics*)

Coase, Ronald 1937, “The Nature of the Firm,” *Economica*, Available in JSTOR

Secondary Discussant:

Williamson, O.E. 1979. “Transaction Cost Economics: The Governance of Contractual Relations”. *Journal of Law and Economics*, 22 (October): 233-261.

Williamson, O.E. 1991. "Comparative Economic Organization: The Analysis of Discrete Structural Alternatives". Administrative Science Quarterly, 36: 269-296.

(Read Last: a non-academic summary paper)

"Coase's theory of the firm," Economist July 29th, 2017

(<https://www.economist.com/news/economics-brief/21725542-if-markets-are-so-good-directing-resources-why-do-companies-exist-first-our>)

ADDITIONAL READINGS:

(Property rights theory)

Alchian, A. & H. Demsetz (1972), "Production, information costs, and economic organization," *American Economic Review* 62(December): 777-795.

Grossman, S. and O. Hart (1986), "The Costs and Benefits of Ownership: A Theory of Vertical and Lateral Integration", *Journal of Political Economy*, 94(4), pp.691-719.

Hart, O. and J. Moore (1990), "Property Rights and the Nature of the Firm", *Journal of Political Economy*, 98(6), pp.1119-1158.

Holmstrom, B. and P. Milgrom (1998), "The Boundaries of the Firm Revisited", *Journal of Economic Perspectives*, 12(4), pp. 73-94.

Hart, O. (1994), *Firms, Contract and Financial Structure*, Oxford, UK: Clarendon Press. Introduction and Chapters 1-3.

Gibbons, Robert. 2005. Four Formal(izable) Theories of the Firm? *Journal of Economic Behavior and Organization*, 58(2): 2005.

Bolton, Patrick, and David S. Scharfstein. 1998. "Corporate Finance, the Theory of the Firm, and Organizations." *Journal of Economic Perspectives*, 12(4): 95-114.

Holmstrom, Bengt, and John Roberts. 1998. "The Boundaries of the Firm Revisited." *Journal of Economic Perspectives*, 12(4): 73-94.

Mayer, K.J. & J.A. Nickerson. 2005. "Antecedents and Performance Consequences of Contracting for Knowledge Workers: Evidence from Information Technology Services". Organization Science, 16: 225-242.

(Theoretical debates and empirical evidence of TCE)

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

Williamson, O.E. 1996. "Economic organization: The case for candor". Academy of Management Review. 21: 48-57

Ghoshal, S. & P. Moran. 1996. "Theories of economic organization: The case for realism and balance". Academy of Management Review, 21: 58-72

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

Williamson, O.E. 1999. "Strategy Research: Governance and Competence Perspectives". Strategic Management Journal, 20: 1087-1108.

WEEK 5 September 23: Resource-based view, Knowledge-based view, & Dynamic Capabilities

Discussant:

(Foundations)

Wernerfelt, B., 1984. "A resource-based view of the firm." Strategic Management Journal, 171-180.

Dierickx, I. & Cool, K. 1989. "Asset stock accumulation and sustainability of competitive advantage". Management Science, 35(12): 1504-1511.

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

Barney, J. 1991. "Firm resources and sustained competitive advantage". Journal of Management, 17: 99-120.

Discussant:

(Dynamic capabilities)

Teece, D., A. Shuen & G. Pisano. 1997. "Dynamic capabilities and strategic management". Strategic Management Journal, 18: 509-533.

(Knowledge-based view)

Grant, R.M. "Toward a Knowledge-Based Theory of the Firm," Strategic Management Journal (17), Winter Special Issue, 1996, pp. 109-122.

Kogut, B. & U. Zander. 1992. "Knowledge of the firm, combinative capabilities, and the replication of technology". Organization Science, 7: 502-518.

ADDITIONAL READINGS

(Challenging RBV)

Priem & Butler. 2001. "Is the Resource-based "View" a Useful Perspective for Strategic Management Research?" Academy of Management Review, 26: 22-40.

Barney 2001. "Is the Resource-based "View" a Useful Perspective for Strategic Management Research? Yes." Academy of Management Review, 26: 41-56. (Response to Priem & Butler)

Priem & Butler. 2001. "Tautology in the Resource-Based View and the Implications of Externally Determined Resource Value: Further Comments" Academy of Management Review, 26: 57-66. (Rebuttal to Barney's response)

(More on dynamic capabilities)

Eisenhardt, K.M. & J.A. Martin. 2000. "Dynamic capabilities: What are they?" Strategic Management Journal, 21(10-11): 1105-1121.

Teece, David J. 2007. "Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance". Strategic Management Journal, Dec 2007, Vol. 28 Issue 13, p1319-1350.

(More on KBV)

Liesbeskind, J. 1996. "Knowledge, Strategy and the Theory of the Firm". Strategic Management Journal, 17: 93-107.

Foss, N. J. "More Critical Comments on Knowledge-Based Theories of the Firm", Organization Science, (7:5), 1996, pp. 519-523.

(Integrating capability and governance perspectives)

Mayer, K.J. & R. Salomon. 2006. "Capabilities, Contractual Hazard and Governance: Integrating Resource-Based and Transaction Cost Perspectives". Academy of Management Journal, 49: 942-959.

Argyres, N. & Zenger. T. 2012. "Capabilities, Transaction Costs and Firm Boundaries." Organization Science, 23: 1643-1667.

WEEK 6 September 30: Applications: Diversification, Alliances, Mergers and Acquisitions

Discussants:

(Diversification)

Montgomery, Cynthia A., 1994, Corporate diversification, Journal of Economic Perspectives 8, 163–178.

Silverman, B.S. (1999), "Technological Resources and the Direction of Corporate Diversification: Toward an Integration of the Resource-Based View and Transaction Cost Economics," Management Science, 45(8), pp. 1109-1124.

(Alliance)

Gulati, R. 1995. "Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances". Academy of Management Journal, 38: 85-112.

Dyer, Jeffrey & Harbir Singh. 1998. "The Relational View: Cooperative Strategy And Sources Of Interorganizational Competitive Advantage". Academy of Management Review, 23: 660-679

(M&A)

Graebner, M.E. 2009. "Caveat Venditor: Trust Asymmetries in Acquisitions of Entrepreneurial Firms". Academy of Management Journal, 52, 435-472.

Haleblian, J., Devers, C., McNamara, G., Carpenter, M., & R. Davison. 2009. Taking stock of what we know about mergers and acquisitions: A review and research agenda. Journal of Management. 35: 469-502

ADDITIONAL READINGS

Garmaise, Mark J., and Tobias J. Moskowitz, 2006, Bank mergers and crime: The real and social effects of bank competition, Journal of Finance 61, 496–538.

Harford, J., 2005, What drives merger waves?, Journal of Financial Economics 77, 529–560.

WEEK 7 October 7: Applications: Strategic Human Capital; Behavioral Perspectives of Strategy

Discussant:

[Strategic Human Capital]

Lazear E. 2009. Firm-Specific Human Capital: A Skill-Weights Approach. *Journal of Political Economy* Volume 117, Number 5

Coff R. 1997. Human Assets and Management Dilemmas: Coping with Hazards on the Road to Resource-based Theory. *Academy of Management Review* **22**(2): 374-402

Byun, H., Raffiee, J. 2023 “Does Career Specialization Pay in Times of Job Displacement? Evidence from a Regression Discontinuity” *Administrative Science Quarterly*

Discussant:

[Behavioral Perspectives of Strategy]

Barr, Pamela S., John L. Stimpert, and Anne S. Huff. "Cognitive change, strategic action, and organizational renewal." *Strategic management journal* 13.S1 (1992): 15-36.

Porac, Joseph F., Howard Thomas, and Charles Baden-Fuller. "Competitive groups as cognitive communities: The case of scottish knitwear manufacturers*." *Journal of Management studies* 26.4 (1989): 397-416.

Weber, Libby, and Kyle Mayer. "Transaction cost economics and the cognitive perspective: Investigating the sources and governance of interpretive uncertainty." *Academy of Management Review* 39.3 (2014): 344-363.

[ADDITIONAL READINGS ON HUMAN CAPITAL]

Agarwal R, Echambadi R, Franco A, Sarkar M. 2004. Knowledge Transfer Through Inheritance: Spin-out Generation, Development, and Survival. *Academy of Management Journal* **47**(4): 501-522

Agarwal R, Ganco M, Ziedonis RH. 2009. Reputations for toughness in patent enforcement: Implications for knowledge spillovers via inventor mobility. *Strategic Management Journal* **30**(13): 1349-1374. Aime F, Johnson S, Ridge JW, Hill AD. 2010. The routine may be stable but the advantage is not: Competitive implications of key employee mobility. *Strategic Management Journal* **31**(1): 75-87.

Becker GS. 1962. Investment in Human Capital: A Theoretical Perspective. *Journal of Political Economy* **70**(5): 9-49

Broschak JP. 2004. Managers' mobility and market interface: The effect of managers' career mobility on the dissolution of market ties. *Administrative Science Quarterly* **49**(4): 608-640.

Campbell B, Coff RW, Kryscynski D. 2012a. Re-thinking competitive advantage from human capital. *Academy of Management Review* **37**(3): 376-395.

Campbell BA, Ganco M, Franco AM, Agarwal R. 2012b. Who leaves, where to, and why worry? employee mobility, entrepreneurship and effects on source firm performance. *Strategic Management Journal* **33**(2): 65–87.

- Carnahan S, Somaya D. 2013. Alumni effects and relational advantage: The impact on outsourcing when a buyer hires employees from a supplier's competitors. *Academy of Management Journal* **56**(6): 1578-1600.
- Coff, R. 1999. When Competitive Advantage Doesn't Lead to Performance: The Resource-Based View and Stakeholder Bargaining Power. *Organization Science*, 10(2): 119-133.
- Ganco M. 2013. Cutting the Gordian knot: The effect of knowledge complexity on employee mobility and entrepreneurship. *Strategic Management Journal* **34**(6): 666-686.
- Grant RM. 1996. Toward a knowledge-based theory of the firm. *Strategic Management Journal* **17**: 109-122.
- Hatch NW, Dyer JH. 2004. Human capital and learning as a source of sustainable competitive advantage. *Strategic Management Journal* **25**(12): 1155.
- Hashimoto M. 1981. Firm-Specific Human Capital as a Shared Investment. *The American Economic Review*, Vol. 71, No. 3 (Jun., 1981), pp. 475-482
- Kor YY, Leblebici H. 2005. How do interdependencies among human-capital deployment, development, and diversification strategies affect firms' financial performance? *Strategic Management Journal* **26**(10): 967-985.
- Mahoney JT, Kor Y. 2015. Advancing the human capital perspective on value creation by joining capabilities and governance approaches. *Academy of Management Perspectives* **29**(3): 296-308.
- Mayer K, Somaya D, Williamson I. 2012. Firm-specific, industry-specific and occupational human capital, and the sourcing of knowledge work. *Organization Science* **23**: 1311-1329.
- Marx M, Strumsky D, Fleming L. 2009. Mobility, Skills, and the Michigan Non-Compete Experiment. *Management Science* **55**(6): 875-889
- Ployhart RE. 2015. Strategic Organizational Behavior (STROBE): The Missing Voice in the Strategic Human Capital Conversation. *The Academy of Management Perspectives* **29**(3): 342-356.
- Ployhart RE, Moliterno TP. 2011. Emergence of the Human Capital Resource: A Multilevel Model. *Academy of Management Review* **36**(1): 127-150.
- Ployhart RE, Nyberg AJ, Reilly G, Maltarich MA. 2014. Human capital is dead; long live human capital resources! *Journal of Management* **40**(2): 371-398.
- Raffiee J, Coff R. 2016. Micro-foundations of firm-specific human capital: When do employees perceive their skills to be firm-specific? *Academy of Management Journal* **59**(3): 766-790.
- Raffiee J. 2017. Employee mobility and interfirm relationship transfer: Evidence from the mobility and client attachments of United States federal lobbyists, 1998–2014. *Strategic Management Journal* **Early View** DOI: [10.1002/smj.2634](https://doi.org/10.1002/smj.2634)
- Byun, H., Raffiee, J., & Ganco, M. Forthcoming. Employee capability discontinuities and firm knowledge space. *Organization Science*
- Rogan M. 2014. Executive departures without client losses: The role of multiplex ties in exchange partner retention. *Academy of Management Journal* **57**(2): 563-584.
- Schultz TW. Investment in Human Capital. *American Economic Review* **51**(1): 1-17
- Somaya D, Williamson I, Lorinkova N. 2008. Gone but not Lost: The different performance impacts of employee mobility between cooperators versus competitors. *Academy of Management Journal* **51**(5): 936-953.
- Sorenson O, Rogan M. 2014. (When) do organizations have social capital? *Annual Review of Sociology*

Starr, E., Ganco, M., & Campbell, B. 2018. Strategic human capital management in the context of cross-industry and within-industry mobility frictions. *Strategic Management Journal*. 39:2226–2254

[ADDITIONAL READINGS ON BEHAVIORAL STRATEGY]

- Kaplan, Sarah. "Framing contests: Strategy making under uncertainty." *Organization Science* 19.5 (2008): 729-752.
- Martins, Luis L., Violina P. Rindova, and Bruce E. Greenbaum. "Unlocking the hidden value of concepts: a cognitive approach to business model innovation." *Strategic Entrepreneurship Journal* 9.1 (2015): 99-117.
- Mayer, Kyle, and Libby Weber. "Transaction Cost Economics and the Cognitive Perspective: Investigating the Sources and Governance of Interpretive Uncertainty--A Response." *Academy of Management Review* (2015): 470-473.
- Rindova, VP. 1999. What corporate boards have to do with strategy: A cognitive perspective *Journal of management studies* 36 (7), 953-975
- Rindova and Fombrun, C. 1999. Constructing Competitive Advantage: The Role of Firm-Constituent Interactions, *Strategic Management Journal*, Vol. 20, No. 8 (Aug., 1999), pp. 691-710.
- 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
- Rindova, Dalpiaz, and Ravasi. 2011. A Cultural Quest: A Study of Organizational Use of New Cultural Resources in Strategy Formation, *Organization Science*
- Weber, Libby, and Kyle J. Mayer. "Designing effective contracts: Exploring the influence of framing and expectations." *Academy of Management Review* 36.1 (2011): 53-75.
- Zardkoohi, Asghar, and Bierman, Leonard. "Transaction Cost Economics and the Cognitive Perspective: Investigating the Sources and Governance of Interpretive Uncertainty--A Comment." *Academy of Management Review* (2015): 466-470.

WEEK 8 October 14: Non-market strategy: Political Strategy

Discussant:

- Haveman H., Jia N., Shi J., Wang Y., 2016. The Dynamics of Political Embeddedness in China. Accepted by the *Administrative Science Quarterly*, OnlineFirst June 23, 2016, doi: 10.1177/0001839216657311
- Jia, N., Zhao, B., Zheng, W., & Lu, J. (2021) No Free Lunch After All: Corporate Political Connections and Firms' Location Choices. *Organization Science*. Published online in *Articles in Advance* 08 Mar 2021. <https://doi.org/10.1287/orsc.2021.1451>
- Hawk A, Lahiri D, Pacheco-de-Almeida G, "The Half Life of Political Capital: An Examination of the Temporal Effects of Political Connections", *Strategic Management Journal*, 44(13), 2023: 3252-3288.

Discussant:

- Zingales, L., 2017. Towards a political theory of the firm. *Journal of Economic Perspectives*, 31(3), pp.113-130.
- Bertrand, Marianne, Matilde Bombardini, Raymond Fisman, and Francesco Trebbi. 2020. "Tax-Exempt Lobbying: Corporate Philanthropy as a Tool for Political Influence." *American Economic Review*, 110 (7): 2065-2102.
- Mary-Hunter McDonnell & Timothy Werner, 2016. "Blacklisted Businesses: Social Activist Challenges and the Disruption of Corporate Political Activity." *Administrative Science Quarterly* 61(4): 584-620.

ADDITIONAL READINGS

- Baron, D. 2004. Private Politics, Corporate Social Responsibility, and Integrated Strategy. *Journal of Economics and Management Strategy*. 10(1): Page 7-45
- Blanes i Vidal, J., Draca, M., & Fons-Rosen, C. 2012. Revolving Door Lobbyists. *American Economic Review*, 102(7): 3731-3748.
- Bertrand, M., Bombardini, M., & Trebbi, F. 2014. Is it whom you know or what you know? An empirical assessment of the lobbying process. *American Economic Review*, 104(12): 3885-3920.
- Dorobantu, S., Kaul, A., and Zelner B. 2017. 'Non-Market Strategy Research Through the Lens of New Institutional Economics: An Integrative Review and Future Directions' *Strategic Management Journal* 38: 114-140
- Faccio, Mara 2006, Politically Connected Firms, *American Economic Review*, Vol. 96, No. 1 (Mar., 2006), pp. 369-386
- Fisman, Raymond 2001, Estimating the Value of Political Connections, Vol. 91, No. 4, (Sep., 2001), pp. 1095-110
- Jia N., Mayer K. 2016. Political Hazards and Firms' Geographic Concentration. *Strategic Management Journal*, doi: 10.1002/smj.2474
- Jia, N., Markus, S. and Werner, T., 2023. Theoretical light in empirical darkness: Illuminating strategic concealment of corporate political activity. *Academy of Management Review*, 48(2), pp.264-291.
- Kim, J.H., 2019. Is your playing field unlevelled? US defense contracts and foreign firm lobbying. *Strategic Management Journal*, 40(12), pp.1911-1937.
- Kim, Jinsil, Welbourne Eleazer, Miranda, Lee Seung-Hyun. "The influence of media scrutiny on firms' strategic eschewal of lobbying," *Strategic Management Journal*, 2024.
- Lyon, T.P., Delmas, M.A., Maxwell, J.W., Bansal, P., Chiroleu-Assouline, M., Crifo, P., Durand, R., Gond, J.P., King, A., Lenox, M. and Toffel, M., 2018. CSR needs CPR: Corporate sustainability and politics. *California Management Review*, 60(4), pp.5-24.
- Pei Sun, Kamel Mellahi, Eric Thun, 2010, The dynamic value of MNE political embeddedness: The case of the Chinese automobile industry, *Journal of International Business Studies* (2010) 41, 1161–1182
- Raymond Fisman, Yongxiang Wang, 2014, The Mortality Cost of Political Connections, *Review of Economic Studies* (2015) 82, 1346–1382
- Wei, Y., Jia, N., Bonardi, J.P. 2021. Corporate Political Connections: A Multidisciplinary Theoretical Review And Future Directions
- Zingales, L., 2017. Towards a political theory of the firm. *Journal of Economic Perspectives*, 31(3): 113-130

WEEK 9 October 21 Technology, innovation, and digital strategy

[Innovation]

Discussant:

- Griliches, Zvi (1998) “The search for R&D spillovers” (Chapter 11) in R&D and Productivity: The Econometric Evidence, University of Chicago Press, pp. 251-268.
- Stokes, D. E. (1997) “Pasteurs’s Quadrant: Basic Science and Technological Innovation” (Chapters 1 and 3), Brookings Institution Press, Washington D.C. pp. 1-89.
- Cohen & Levinthal. 1990.”Absorptive capacity: A new perspective on learning and innovation”. Administrative Science Quarterly, 35: 128-152.
- Tushman, M.L. & P. Anderson. 1986. “Technological discontinuities and organizational environments”. Administrative Science Quarterly, 31: 439-465.

Discussant:

- Gans, J.S. and Stern, S. 2003. The product market and the market for “ideas”: Commercialization strategies for technology entrepreneurs. *Research Policy*, 32: 333-350.

[Digital technology]

- Goldfarb, A., & Tucker, C. (2019). Digital economics. *Journal of Economic Literature*, 57(1), 3-43.
- Waldfogel, J. (2017). How digitization has created a golden age of music, movies, books, and television. *Journal of economic perspectives*, 31(3), 195-214.
- Miric, M., Jeppesen, L. B. 2020 Does Piracy Lead to Product Abandonment or Stimulate New Product Development?: Evidence from Platform-Based Developer Firms. *Strategic Management Journal*, 41: 2155-2184

ADDITIONAL READINGS

- Ahuja, G & R. Katila 2001. “Technological acquisitions and the innovative performance of acquiring firms”. Strategic Management Journal, 22: 197-220.
- Arrow, K.J. 1962. Economic Welfare and the Allocation of Resources for Invention. The Rand Corporation.
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- Brynjolfsson, Erik Xiang Hui, Meng Liu (2019) Does Machine Translation Affect International Trade? Evidence from a Large Digital Platform. *Management Science* 65(12):5449-5460. <https://doi.org/10.1287/mnsc.2019.3388>

- Cohen, W.M. and Levinthal, D.A. 1990. Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quarterly*, 35 (1): 128-152.
- Forman, C., Goldfarb, A., & Greenstein, S. (2005). How did location affect adoption of the commercial Internet? Global village vs. urban leadership. *Journal of urban Economics*, 58(3), 389-420.
- Furman, Jeff and Stern, Scott (2011) "Climbing atop the shoulders of giants: The impact of institutions on cumulative research", *American Economic Review*, 101(5), pp. 1933-1963
- Katz, M. L. & Shapiro, C. (1986). Technology adoption in the presence of network externalities. *The Journal of Political Economy*, 94(4).
- Liu, Xiao and Zhang, Bin and Susarla, Anjana and Padman, Rema, 2020 Go to YouTube and Call Me in the Morning: Use of Social Media for Chronic Conditions. *MIS Quarterly*, 44(1): 257-283
- Miric, Pagani & El Sawy, 2019, "Understanding the Acquisition Strategies of Digital Platform Companies: Empirical Evidence and Evolutionary Framework," *working paper*
- Miric, Milan and Ozalp, Hakan, Standardized Tools and the Generalizability of Human Capital: The Impact of Standardized Technologies on Employee Mobility (January 15, 2020). USC Marshall School of Business Research Paper, Available at SSRN: <https://ssrn.com/abstract=3554224> or <http://dx.doi.org/10.2139/ssrn.3554224>
- Romer, P. M. (1990). Endogenous technological change. *Journal of Political Economy*, 98(S5).
- Rosenkopf, L. & A. Nerkar. 2001. "Beyond local search: Boundary spanning, exploration and impact in the optical disk industry". *Strategic Management Journal*, 22: 287-306.
- Rothermael, F. & D.L. Deeds. 2004. "Exploration and exploitation in alliances in biotechnology: A system of new product development". *Strategic Management Journal*, 25:201-221.
- Singh, J., Fleming, L. (2010) "Lone inventors as sources of technological breakthroughs: Myth or reality?" *Management Science*, 56(1), pp. 41-56.
- Teece, D.J. 1986. "Profiting from technological innovation: Implications for integration, collaboration, licensing and public policy". *Research Policy*, 15: 285-305.

WEEK 10 October 28 Special Topics in Artificial Intelligence: Do AI Technologies Challenge Human Skills?

Discussant:

- Acemoglu, Daron, and Pascual Restrepo. 2019. "Automation and New Tasks: How Technology Displaces and Reinstates Labor." *Journal of Economic Perspectives*, 33 (2): 3–30.
- Tong, S., Jia, N., Luo, X., & Fang, Z. (2021). The Janus face of artificial intelligence feedback: Deployment versus disclosure effects on employee performance. *Strategic Management Journal*, 42(9): 1600-1631. <https://doi.org/10.1002/smj.3322>
- Balasubramanian, Natarajan, Yang Ye, and Mingtao Xu (2021) "Substituting Human Decision-Making with Machine Learning: Implications for Organizational Learning," *Academy of Management Review*, forthcoming

Discussant:

- Choudhury, P., Starr, E., & Agarwal, R. 2020. Machine learning and human capital complementarities: Experimental evidence on bias mitigation. *Strategic Management Journal*, 41(8): 1381-1411.

- Lebovitz, S., Levina, N., & Lifshitz-Assaf, H. (2021). Is AI Ground Truth Really True? The Dangers of Training and Evaluating AI Tools Based on Experts' Know-What. *MIS quarterly*, 45(3).
- Dell'Acqua, F., McFowland, E., Mollick, E. R., Lifshitz-Assaf, H., Kellogg, K., Rajendran, S., ... & Lakhani, K. R. (2023). Navigating the Jagged Technological Frontier: Field Experimental Evidence of the Effects of AI on Knowledge Worker Productivity and Quality. (24-013). Available at <https://ssrn.com/abstract=4573321>

ADDITIONAL READINGS

- Bai, Bing, Hengchen Dai, Dennis Zhang, Fuqiang Zhang, and Haoyuan Hu (2020), "The Impacts of Algorithmic Work Assignment on Fairness Perceptions and Productivity: Evidence from Field Experiments," *SSRN Electronic Journal*. <https://ssrn.com/abstract=3550887>
- Curchod, Corentin, Gerardo Patriotta, Laurie Cohen, and Nicolas Neysen (2020), "Working for an Algorithm: Power Asymmetries and Agency in Online Work Settings," *Administrative Science Quarterly* 2020, Vol. 65(3)644–676
- Kellogg, Katherine; Melissa Valentine, Angele Christin, 2020, "Algorithms At Work: The New Contested Terrain Of Control," *Academy of Management Annals*, 14(1): 366-410
- Glikson E, Woolley A.W. (2020) "Human Trust in Artificial Intelligence: Review of Empirical Research" *Academy of Management Annals*, In press
<https://doi.org/10.5465/annals.2018.0057>
- Gregory, Robert Wayne, Ola Henfridsson, Kaganer, and Kyriakou, 2021, "The Role of Artificial Intelligence and Data Network Effects for Creating User Value," *Academy of Management Review*, 46(3): 534-551
- Newman, David, Nathanael Fast, and Derek Harmon (2020), "When Eliminating Bias Isn't Fair: Algorithmic Reductionism and Procedural Justice in Human Resource Decisions," *Organizational Behavior and Human Decision Processes*.
- Wang, Bin, Yukun Liu, Sharon Parker, 2020, "How Does The Use Of Information Communication Technology Affect Individuals? A Work Design Perspective," *Academy of Management Annals*, 14(2): 695-725

WEEK 11 November 4 Special Topics in Artificial Intelligence: Do AI Technologies Enhance Human Skills?

Discussant:

- Choi, Sukwoong and Kang, Hyo and Kim, Namil and Kim, Junsik, How Does AI Improve Human Decision-Making? Evidence from the AI-Powered Go Program (October 1, 2023). Forthcoming. *Strategic Management Journal*. Available at SSRN: <https://ssrn.com/abstract=3893835> or <http://dx.doi.org/10.2139/ssrn.3893835>
- Gaessler, F. & H. Piezunka (2023) "Training with AI – Evidence from Chess Computers" *Strategic Management Journal* Vol. 44(11) 2724-2750
- Allen, R., & Choudhury, P. (2022). Algorithm-augmented work and domain experience: The countervailing forces of ability and aversion.

Discussant:

- Jia N., Luo X., Fang Z., Xu B., *The Power Couple: How Managerial Leadership Enhances the Impact of AI Technology on Employee Training. Working paper*
- Lebovitz, S., Lifshitz-Assaf, H., & Levina, N. (2022). To engage or not to engage with AI for critical judgments: How professionals deal with opacity when using AI for medical diagnosis. *Organization Science*, 33(1), 126-148.
- Jia N., Luo X., Fang Z., Liao C., (2024) When and How Artificial Intelligence Augments Employee Creativity. *Academy of Management Journal*, 67(1): 5-32, <https://doi.org/10.5465/amj.2022.0426>

ADDITIONAL READINGS

- Raisch, Sebastian, Sebastian Krakowski, 2021, “Artificial Intelligence And Management: The Automation–Augmentation Paradox,” *Academy of Management Review* 46(1): 192-210
- Tang, P. M., Koopman, J., McClean, S. T., Zhang, J. H., Li, C. H., De Cremer, D., ... & Ng, C. T. S. (2021). When conscientious employees meet intelligent machines: An integrative approach inspired by complementarity theory and role theory. *Academy of Management Journal*, (ja).

WEEK 12 November 11 No class, University Holiday

University Closed; Veterans Day

WEEK 13 November 18 Special Topics in Artificial Intelligence: AI, Organizations, and the Market

[AI & Organizations]

Discussant:

- Csaszar, F. A., & Steinberger, T. (2022). Organizations as artificial intelligences: The use of artificial intelligence analogies in organization theory. *Academy of Management Annals*, 16(1), 1-37.
- Choudhary, V., Marchetti, A., Shrestha, Y. R., & Puranam, P. (2023). Human-AI Ensembles: When Can They Work? *Journal of Management*
- Jia, N. 2024. How Organizations Shape Human-AI Collaboration [Materials will be provided later]

[AI & Markets]

Discussant:

- Ed Felten, Manav Raj and Robert Seamans. 2021. Occupational, Industry, and Geographic Exposure to Artificial Intelligence: A Novel Dataset and Its Potential Uses. *Strategic Management Journal*, 42(12): 2195-2217
- Beraja, Martin, Andrew Kao, David Y Yang, Noam Yuchtman, AI-tocracy *The Quarterly Journal of Economics*, Volume 138, Issue 3, August 2023, Pages 1349–1402, <https://doi.org/10.1093/qje/qjad012>

Abada, I., & Lambin, X. (2023). Artificial intelligence: Can seemingly collusive outcomes be avoided?. *Management Science*.

ADDITIONAL READINGS

Berg, J., Raj, M., & Seamans, R. (2023). Capturing Value from Artificial Intelligence. *Academy of Management Discoveries*.^[L]_[SEP]

Clough, David and Andy Wu, 2021, “Artificial Intelligence, Data-Driven Learning, and the Decentralized Structure of Platform Ecosystems”, *Academy of Management Review*, forthcoming (dialogue)

Gregory, Robert Wayne, Ola Henfridsson, Kaganer, and Kyriakou, 2021, “Data Network Effects: Key Conditions, Shared Data, and the Data Value Duality” *Academy of Management Review*, forthcoming (dialogue)

Leavitt, Keith; Kira Schabram; Prashanth Hariharan; Christopher M. Barnes, 2021, “Ghost in the Machine: On Organizational Theory in the Age of Machine Learning” *Academy of Management Review*, forthcoming

Murray, Alex, Jen Rhymer, and David Sirmon, 2020, “Humans And Technology: Forms Of Conjoined Agency In Organizations,” *Academy of Management Review*, 46(3): 552-571

Puranam, P. (2021). Human–AI collaborative decision-making as an organization design problem. *Journal of Organization Design*, 10 (2), 75-80.

WEEK 14 November 25 Special Topics in Artificial Intelligence: AI as a Research Tool

Discussant:

[AI enhances classification]

Choudhury, P., Allen, R. T., & Endres, M. G. (2021). Machine learning for pattern discovery in management research. *Strategic Management Journal*, 42 (1), 30-57

Miric M., Jia N., Huang K. (2023). Using Supervised Machine Learning for Large-Scale Classification in Management Research: The Case for Identifying Artificial Intelligence Patents *Strategic Management Journal*, 44(2): 491-519, <https://doi.org/10.1002/smj.3441>

Luo X., Jia N., Ouyang E. Fang Z. (2024) Introducing Machine-Learning-Based Data Fusion Methods for Analyzing Multimodal Data: An Application of Measuring Trustworthiness of Microenterprises, *Strategic Management Journal*, 1-33

Discussant:

[AI enhances identification]

Rathje, J., Katila, R. and Reineke, P. 2024. Making the Most of AI and Machine Learning in Organizations and Strategy Research: Supervised Machine Learning, Causal Inference, and Matching Models, *Strategic Management Journal*, in press.

A Discussion of Generative AI [materials will be provided]

[AI and research ethics]

Gatrell, C., Muzio, D., Post, C. and Wickert, C. (2024), Here, there and Everywhere: On the Responsible Use of Artificial Intelligence (AI) in Management Research and the Peer-Review Process. *Journal of Management Studies*.

ADDITIONAL READINGS

Shrestha, Y. R., He, V. F., Puranam, P., & von Krogh, G. (2021). Algorithm supported induction for building theory: How can we use prediction models to theorize? *Organization Science*, 32(3), 856-880.

Korinek, Anton. 2023. "Generative AI for Economic Research: Use Cases and Implications for Economists." *Journal of Economic Literature*, 61 (4): 1281–1317.

WEEK 15 December 2 (NJ): Final Presentations

ADDITIONAL READINGS ON STRATEGIC MANAGEMENT TOPICS

Alliances/Vertical Integration

Dyer, Jeffrey & Harbir Singh. 1998. "The Relational View: Cooperative Strategy And Sources Of Interorganizational Competitive Advantage". *Academy of Management Review*, 23: 660-679

Gulati, R. 1995. "Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances". *Academy of Management Journal*, 38: 85-112.

Mayer, K.J. & N. Argyres. 2004. "Learning to Contract: Evidence from the Personal Computer Industry". *Organization Science*, 15: 394-410.

Mowery, D.C., J.E. Oxley & B.S. Silverman (1996), "Strategic Alliances and Interfirm Knowledge Transfer," *Strategic Management Journal*, 17(Winter), pp. 77-91.

Kale, P., J. Dyer & H. Singh. 2002. "Alliance capability, stock market response and long-term alliance success". *Strategic Management Journal*, 23: 747-767.

Sampson, R. 2007. "R&D alliances and firm performance. The impact of technological diversity and alliance organization on innovation". *Academy of Management Journal*, 50: 364-386.

Wang, Y. & N. Rajagopalan. Forthcoming. "Alliance capabilities: review and research agenda."

Competitive Dynamics

- Smith, K.G., Ferrier, W.J., & Ndofor, H. "Competitive Dynamics Research: Critique and Future Directions," in Handbook of Strategic Management, M. A. Hitt, R. E. Freeman and Jeffrey S. Harrison (eds.), Blackwell Publishers, Malden, MA, 2001, pp. 315-361.
- Gimeno, J., & Woo, C. 1996. "Hypercompetition in a Multimarket Environment: The Role of Strategic Similarity and Multimarket Contact in Competitive De-Escalation." Organization Science 7(3): 322-341.
- Zhu, F. & Iansiti, M. "Entry into Platform-Based Markets." Strategic Management Journal. Forthcoming.
- Joel A. C. Baum & Helaine J. Korn. 1996. "Competitive Dynamics of Interfirm Rivalry." Academy of Management Journal. 39(2): 255-291.
- Adner, R. & Zemsky, P. 2005. "Disruptive Technology and the Emergence of Competition." Rand Journal of Economics. 36(2): 229-254.
- Gawer, Annabelle & Rebecca Henderson. 2007. "Platform Owner Entry and Innovation in Complementary Markets: Evidence from Intel." Journal of Economics Management Strategy 16(1): 1-34.

Corporate Governance:

- Carpenter, M.A., M.A. Geletkanycz & W.G. Sanders. 2004. "The Upper Echelons Revisited: Antecedents, Elements, and Consequences of Top Management Team Composition". Journal of Management, 60(6): 749-778.
- Chatterjee, A. & D.C. Hambrick. 2007. "It is all about me: Narcissistic CEOs and their effects on company strategy and performance". Administrative Science Quarterly, 52: 351-386.
- Davis, G.F. 1991. "Agents without principles? The spread of the poison pill through the intercorporate network". Administrative Science Quarterly, 36, 583-613.
- 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)
- Fama, E.F. & M.C. Jensen. 1983. "Separation of ownership and control". Journal of Law & Economics, 26: 301-325.
- Forbes, D.P. & F.J. Milliken. 1999. "Cognition and corporate governance: Understanding boards of directors as strategic decision making groups". Academy of Management Review, 24 (3), 489-505.
- Hambrick, D.C. & P. Mason. 1984. "Upper echelons: The organization as a reflection of its top managers". Academy of Management Review, 9, 193-206.
- 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.
- Bertrand, M., P. Mehto, S. Mullainathan. 2002. Ferreting out Tunneling: An Application to Indian Business Groups. Quarterly Journal of Economics 117(1) 121-148.

- Khanna, T. & Krishna Palepu, “The Future of Business Groups in Emerging Markets: Long-Run Evidence from Chile,” *The Academy of Management Journal* 43(3) 2000, 268-285.
- Jia N, Shi J, Wang Y. 2013. Coinsurance Within Business Groups: Evidence from Related Party Transactions in an Emerging Market. *Management Science* 59(10): 2295–
- Jia N., Shi J., Wang Y. 2018. Value Creation and Value Capture in Governing Shareholder Relationships: Evidence from a Policy Experiment in an Emerging Market. *Strategic Management Journal*. **39**: 2466-2488
- 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.
- Ocasio, W. 1999. “Institutionalized action and corporate governance: The reliance on rules of CEO succession”. *Administrative Science Quarterly*, 44(2), 384-416.
- Park, S., Chung, B., Rajagopalan N. 2021. “Be Careful What You Wish For: CEO Self-Praise, Analyst Blame, and CEO Dismissal”, *Strategic Management Journal*. DOI: 10.1002/smj.3312
- Smith, K.G., K.A. Smith, J.D. Olian, H.P. Sims Jr., D.P. O’Bannon & J.A. Scully. 1994. “Top management team demography and process: The role of social integration and communication”. *Administrative Science Quarterly*, 39(3), 412-438.

Economics of Organization

(Facts)

- Rajan, Raghuram G. and Julie Wulf. "The Flattening Firm: From Panel Data On The Changing Nature Of Corporate Hierarchies," *Review of Economics and Statistics*, 2006, v88 (4,Nov), 759-773. (The first paper that documents some stylized facts about corporate hierarchies based on micro-data.)
- 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)

- Aghion, Philippe and Jean Tirole, 1997, “Formal and Real Authority in Organizations.” *Journal of Political Economy*, 105(1), pp1-29 (A fundamental theory paper in organizational economics. It provides a theoretical framework to formalize the long-standing idea of how authority affects organizational design.)
- Wu, Yanhui. “Authority, Incentives and Performance: Evidence from a Chinese Newspaper Online Appendix.” Forthcoming, *Review of Economics and Statistics* (Provide a rigorous test of the Aghion and Tirole theory of authority and organization in an interesting setting.)

(Coordination View of Organizational Structure)

- 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.)
- Timothy F. Bresnahan, Erik Brynjolfsson and Lorin M. Hitt, 2002, “Information Technology,

- Workplace Organization, and the Demand for Skilled Labor: Firm-Level Evidence.” *Quarterly Journal of Economics*, Vol. 117, No. 1 (Feb., 2002), pp. 339-376 (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.)
- Gibbons, Robert S., "Four Formal(izable) Theories of the Firm?" *Journal of Economic Behavior & Organization*
- Gibbons, R. and J. Roberts, 2012, “Handbook of Organizational Economics” Princeton University Press, Chapters 1-4
- Garicano, Luis. 2000. “Hierarchies and the Organization of Knowledge in Production.” *Journal of Political Economy* 108: 874-904
- Maskin, Eric, Yingyi Qian, and Chenggang Xu. 2000. “Incentives, Information, and Organizational Form.” *Review of Economic Studies* 67: 359-78
- Forbes, Silke and Lederman, Mara. “Adaptation and Vertical Integration in the Airline Industry”, *American Economic Review*, 99(5): 1831–49
- Gibbons, R. "Why Organizations Are Such a Mess (and What an Economist Might Do About It)" Section 1, unpublished
- Bloom, Nicholas, Luis Garicano, Raffaella Sadun, John Van Reenen, 2014, “The Distinct Effects of Information Technology and Communication Technology on Firm Organization,” *Management Science* 60(12): 2859-2885
- 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.)

Entrepreneurship: An Institutional Perspective

(Institutions and Entrepreneurship)

- Sine, W. D., Haveman, H. A., & Tolbert, P. S. 2005. Risky Business? Entrepreneurship in the New Independent-Power Sector. *Administrative Science Quarterly*, 50(2): 200-232.
- Hiatt, S.R., W.D. Sine, P.S. Tolbert. 2009. From Pabst to Pepsi: The deinstitutionalization of social practices and the creation of entrepreneurial opportunities. *Administrative Science Quarterly* 54:635-667.
- Hiatt, S. R. & Carlos, W. C. 2018. From farms to fuel tanks: Stakeholder framing contests and entrepreneurship in the emergent U.S. biodiesel market. *Strategic Management Journal*, forthcoming.
- (Legitimacy & Entrepreneurial Efforts)*
- Lounsbury, M. & Glynn, M. A. 2001. Cultural entrepreneurship: Stories, legitimacy, and the acquisition of resources. *Strategic Management Journal*, 22(6/7): 545-564.
- Lee, B. H., Hiatt, S. R., & Lounsbury, M. 2017. Market Mediators and the Tradeoffs of Legitimacy-Seeking Behaviors in a Nascent Category. *Organization Science*, 28: 447-470.
- Lee, B. H., Struben, J., & Bingham, C. B. 2018. Collective action and market formation: An integrative framework. *Strategic Management Journal*, 39(1): 242-266.

Entrepreneurship: An Economic Perspective

Astebro, Thomas, Holger Herz, Ramana Nanda, and Roberto A. Weber. "Seeking the Roots of Entrepreneurship: Insights from Behavioral Economics." *The Journal of Economic Perspectives* 28, no. 3 (2014): 49–69.

Shane, Scott, and S. Venkataraman. "The Promise of Entrepreneurship as a Field of Research." *Academy of Management Review*, 2000, 217–226.

Lerner, J, and Ulrike Malmendier. "With a Little Help from My (Random) Friends: Success and Failure in Post-Business School Entrepreneurship." *Review of Financial Studies*, June 17, 2013, hht024. <https://doi.org/10.1093/rfs/hht024>.

Harrison, Glenn W., and John A. List. "Field Experiments." *Journal of Economic Literature* 42, no. 4 (2004): 1009–1055.

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

Hallen, B.L. 2008. The causes and consequences of the initial network positions of new organizations: From whom do entrepreneurs receive investments? *Administrative Science Quarterly* 53 685-718.

Mergers & Acquisitions, Diversification, Divestiture

Graebner, M.E. 2009. "Caveat Vendor: Trust Asymmetries in Acquisitions of Entrepreneurial Firms". *Academy of Management Journal*, 52, 435-472.

Haleblian, J., Devers, C., McNamara, G., Carpenter, M., & R. Davison. 2009. Taking stock of what we know about mergers and acquisitions: A review and research agenda. *Journal of Management*. 35: 469-502

Villalonga, B. & A.M. McGahan. 2005. "The choice among acquisitions, alliances, and divestitures." *Strategic Management Journal*, 1183-1208.

Silverman, B.S. (1999), "Technological Resources and the Direction of Corporate Diversification: Toward an Integration of the Resource-Based View and Transaction Cost Economics," *Management Science*, 45(8), pp. 1109-1124.

Diestre, Luis & N. Rajagopalan. 2010. "An environmental perspective on diversification: The effects of chemical relatedness and regulatory sanctions". *Academy of Management Journal*.

Feldman, Emilie R., Stuart C. Gilson, and Belén Villalonga. 2014. "Do Analysts Add Value When They Most Can? Evidence from Corporate Spinoffs." *Strategic Management Journal* 35(10): 1446-1463.

Rumelt, R.P., 1982. "Diversification strategy and profitability". *Strategic Management Journal*, 359-369.

Villalonga, Belen. "Diversification Discount or Premium? New Evidence from the Business Information Tracking Series." Art. 1. *Journal of Finance* 59, no. 2 (April 2004): 475–502.

McNamara, Gerry, Jerayr Haleblian & Bernadine Dykes. 2008. "The performance implications of participating in an acquisition wave: Early mover advantages, bandwagon effects, and the moderating influence of industry characteristics and acquirer tactics". *Academy of Management Journal*, 51, 113-130.

Organizational learning and behavioral theory of the firm

- Argote, L, S.L. Beckman & D. Epple. 1990. "The persistence and transfer of learning in industrial settings". Management Science, 36: 140-154.
- Walsh, J.P. 1995. "Managerial and organizational cognition: Notes from a trip down memory lane". Organization Science, 6(3), 280-321.
- Greve, H. "Performance, Aspirations, and Risky Organizational Change". Administrative Science Quarterly, March 1998.
- Virany, B., M.L. Tushman & E. Romanelli. 1992. "Executive succession and organization outcomes in turbulent environments: An organizational learning approach". Organization Science, 3: 72-91.
- Haleblian, J & S. Finkelstein. 1999. "The influence of organizational acquisition experience on acquisition performance: A behavioral learning perspective". Administrative Science Quarterly, 44: 29-56.

Organizational Structure

Discussion questions:

- How do you define organization design? What is it? What isn't it?
- Why did organization design drop off the academic radar? Why do you think it has picked up?
- Why is it difficult studying issues specifically about organizational structure?
- What theories do you think are most appropriate to understand the relationship between structure and strategy outcomes?
- What areas of organization design more broadly and structure more specifically have been understudied? What do you see as research project opportunities?

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Use of AI Generators

I expect you to use AI (e.g., ChatGPT and image generation tools) in this class. Learning to use AI is an emerging skill, and I welcome the opportunity to meet with you to provide guidance with these tools during office hours or after class. Keep in mind the following:

- AI tools are permitted to help you brainstorm topics or revise work you have already written.
- If you provide minimum-effort prompts, you will get low-quality results. You will need to refine your prompts to get good outcomes. This will take work.
- Proceed with caution when using AI tools and do not assume the information provided is accurate or trustworthy. If it gives you a number or fact, assume it is incorrect unless you either know the correct answer or can verify its accuracy with another source. You will be responsible for any errors or omissions provided by the tool. It works best for topics you understand.
- Be thoughtful about when AI is useful. Consider its appropriateness for each assignment or circumstance. The use of AI tools requires attribution. You are expected to clearly attribute any material generated by the tool used.

Please ask me if you are unsure about what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

Statement on Academic Conduct and Support Systems

Academic Integrity:

The University of Southern California is a learning community committed to developing successful scholars and researchers dedicated to the pursuit of knowledge and the dissemination of ideas. Academic misconduct, which includes any act of dishonesty in the production or submission of academic work, comprises the integrity of the person who commits the act and can impugn the perceived integrity of the entire university community. It stands in opposition to the university's mission to research, educate, and contribute productively to our community and the world.

All students are expected to submit assignments that represent their own original work, and that have been prepared specifically for the course or section for which they have been submitted. You may not submit work written by others or “recycle” work prepared for other courses without obtaining written permission from the instructor(s).

Other violations of academic integrity include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), collusion, knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

The impact of academic dishonesty is far-reaching and is considered a serious offense against the university. All incidences of academic misconduct will be reported to the Office of Academic Integrity and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university.

For more information about academic integrity see [the student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#).

Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Support Systems:

[Counseling and Mental Health](#) - (213) 740-9355 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

[988 Suicide and Crisis Lifeline](#) - 988 for both calls and text messages – 24/7 on call

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

[Relationship and Sexual Violence Prevention Services \(RSVP\)](#) - (213) 740-9355(WELL) – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

[Office for Equity, Equal Opportunity, and Title IX \(EEO-TIX\)](#) - (213) 740-5086

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

[Reporting Incidents of Bias or Harassment](#) - (213) 740-5086 or (213) 821-8298

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

[The Office of Student Accessibility Services \(OSAS\)](#) - (213) 740-0776

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

[USC Campus Support and Intervention](#) - (213) 740-0411

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

[Diversity, Equity and Inclusion](#) - (213) 740-2101

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

[USC Emergency](#) - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

[USC Department of Public Safety](#) - UPC: (213) 740-6000, HSC: (323) 442-1200 – 24/7 on call

Non-emergency assistance or information.

[Office of the Ombuds](#) - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

[Occupational Therapy Faculty Practice](#) - (323) 442-2850 or otfp@med.usc.edu

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.