

## **Business 733**

Research Seminar in Organization and Management II (Strategic Management)  
Goizueta Business School/Laney Graduate School  
Emory University

### **Associate Professor Richard Makadok**

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### **Syllabus version 5.0 (released October 8, 2014)**

- This syllabus is a tentative draft that is likely to change. It is especially likely that the sequence of some topics and the timing of some class meetings may have to be changed in order to accommodate the schedules of guest speakers. I appreciate your understanding and flexibility.

### **Fall 2014 Semester**

Classroom: Goizueta Business School room 401 (East Wing)

Dates/times: 9:00 am – 12:00 noon on Mondays with the following exceptions:

1. Due to a teaching conflict, the class that would ordinarily be held on Monday November 17 will be held instead on Friday November 14, from 8:30 am to 10:00 am for the first half of class. In order to accommodate the schedule of our guest speaker, the second half of class will then be held on Thursday November 20 from 4:15 pm to 5:30 pm. Please plan your work accordingly.
2. In order to accommodate the schedules of other guest speakers:
  - a. Class on Monday October 27 will be shortened by 75 minutes, and the remaining part of class will be held instead on Wednesday October 29 from 4:15 pm to 5:30 pm.
  - b. Class on Monday December 8 will be shortened by 75 minutes, and the remaining part of class will be held instead on Tuesday December 9 from 4:15 pm to 5:30 pm.

### **Enrollment**

This is a Ph.D. seminar focusing on research in strategic management and other closely related topics. As a Ph.D. seminar focused on research, its enrollment is restricted to Ph.D. students in good standing.

### **Seminar Objectives**

In this course, each student should:

1. Develop a mental model of the strategic management research literature, and show an understanding of and appreciation for the key concepts, theories, issues, debates, contributions, and research streams in this literature.
2. Be able to evaluate and critically review academic writings in this research literature.
3. Develop new ideas and/or approaches that advance some portion of this research literature and that could be turned into publishable research papers.
4. Be able to effectively communicate #1, 2, and 3 above -- in both verbal and written form.

### **Videoconference Guest Speakers**

As a special bonus, thanks to the modern miracle of videoconferencing, you will have an opportunity to speak directly with many of the leading researchers themselves – the “movers and shakers” and “living legends” of the strategy field who wrote many of the research articles that we will be studying.

### **Possible Schedule Changes**

I hope that we may have a videoconference guest speaker at every class meeting, but there may be a few sessions for which I cannot find an appropriate speaker. In order to accommodate the schedules of guest speakers, I may have to either: (1) rearrange the sequence of topics in the course, or (2) schedule some of these guest speaker appearances outside of the regular class meeting time. In either case, I would distribute an updated version of the syllabus. In the latter case, I would shorten the regular class meeting and would also try to avoid scheduling the guest speaker’s videoconference at a time that would conflict with your other courses.

### **Location of Readings**

All of the readings for this course will be available on-line via the “Reserves Direct” electronic-reserves system of Emory University Libraries.

### **Grading**

The course grade will be based on the following requirements with the following weights:

20%	Weekly homework assignments
20%	Leading class discussions
20%	Other participation in class discussions
30%	Term project: Research paper or research proposal
10%	Presentation about term project

These requirements are discussed in more detail on the following pages.

### Weekly Homework Assignments

At each week's class meeting, starting on the second week of the course, you are required to submit a brief homework assignment of 2 or fewer typewritten pages. Please bring to class enough printed copies of each week's homework assignment so that you can share a copy both with the instructor and with each of your classmates.

The central focus of this weekly assignment is the concept of "interesting" research, as defined by Murray Davis (1971) in his classic article "That's Interesting!" which is a required reading for the first week of this course. It is much easier to succeed in a research career if you are skilled at framing projects in a way that will be viewed as interesting by your intended audience, and the purpose of this assignment is to help you to develop this skill in two ways: First, it will give you practice at reverse-engineering what aspects of past research studies made them seem interesting to audiences at the time of their publication. Second, it will challenge you to invent ideas for new research studies that would be viewed as interesting to audiences today.

Your weekly homework assignment should answer two questions, based on the specific definition of "interesting" provided by Davis (1971):

1. What aspects, if any, in each of this week's assigned readings would have seemed interesting at the time when they were published? Why would those aspects of each reading have seemed interesting? In what ways did each of this week's readings deny the audience's taken-for-granted assumptions?
2. What are three ideas for future projects in this week's research stream -- e.g., projects to extend, fix, adapt, correct, synthesize, or fill gaps in the literature represented by this week's readings -- that either would automatically be viewed as intrinsically interesting by design or would have a good chance of yielding results that would be viewed as interesting to some audience today? Why would such projects or results seem interesting to that audience? In what ways would they deny the taken-for-granted assumptions of that audience?

There will be a total of 12 weekly homework assignments (for weeks 2 through 13). Combined, these 12 weekly homework assignments will constitute 20% of the course grade. Each weekly homework assignment will be graded on a scale of 0 to 3, as follows:

- |   |   |
|---|---|
| 0 | Assignment either not submitted or totally unacceptable in quality            |
| 1 | Sub-standard quality  |
| 2 | Good and acceptable, but not especially brilliant, interesting, or insightful |
| 3 | Truly outstanding in some way   |

Grades of 3 are expected to be awarded rarely, if ever. So, don't worry if you are not getting 3's. Only worry about not getting 2's.

### Leading A Class Discussion

Depending upon the number of students who enroll in the course, you will be required to lead the first 60 minutes of discussion for one class session, sometime during weeks 2 through 13. In order to assign students to a particular class session, a sign-up sheet will be circulated at our first class meeting, but there is no guarantee that your preferences about which session you want to lead will be satisfied.

The discussion leader's task is to:

1. Thoroughly prepare for the topic to be discussed that day, in order to be particularly knowledgeable about it.
2. Plan, prepare, and deliver questions and/or activities for class discussion that will lead students to integrate and compare the papers, develop their own mental maps of the literature, and seek out new and "interesting" research opportunities
3. Lead, facilitate, and moderate the discussion in a way that it provides an effective and valuable learning experience for the entire class.

The following sequence of questions, based on Bloom's taxonomy of learning objectives, might serve as a useful starting point in planning the two sessions that you will lead:

- How do you interpret these readings? What are they saying? What is/are their overall point(s)? On what basis do they draw their conclusions?
- How might these readings be applied, either by a researcher or a business practitioner?
- What patterns do you see in this set of readings? How would you classify or group them, and why? What, if anything, is "interesting" about them?
- How do these readings relate to each other? How do they relate to other research that you have read?
- What taken-for-granted assumptions underlie these readings? When/how might those assumptions be violated?
- How do we evaluate or judge these readings? What are the strengths and weaknesses of each?
- How well do these readings address the research question and topic? What problems do you see in them? How might those problems be corrected?
- What new (and hopefully "interesting") research projects might be pursued in this topic area?

At least 24 hours before the class that you are scheduled to lead, you must have a planning meeting with the instructor, which will be your opportunity to describe and explain your specific plans for how you intend to lead your portion of the class session, and to get feedback and approval for your plan.

Your leadership of this class discussion will constitute 10% of the course grade, and will be graded on a scale of 0 to 3, as follows:

- |   |  |
|---|--|
| 0 | Task either not completed or totally unacceptable in quality |
| 1 | Sub-standard performance                                     |
| 2 | Good and acceptable  |
| 3 | Highly polished and professional class-discussion leadership |

Grades of 3 are expected to be awarded rarely, if ever. So, don't worry if you don't get a 3. Only worry about not getting a 2.

### **Other Participation in Class Discussions**

In addition to leading a few class discussions, you are also expected to participate in all of our other class discussions. Attendance is, of course, mandatory. The purpose of the seminar discussions will be to fully comprehend the assigned readings, critique them, synthesize their approaches and results, learn from them about how to conduct high-quality research, and consider what they imply for future research. You will learn much about the current state of the strategy field by doing these readings, but you will learn much more from our class discussions about how to do research and how to contribute effectively to the community of academic researchers. Your own unique personal insights, experiences, and ideas are likely to illuminate the topics we discuss in ways that nobody else can. So, if you do not fully and actively participate in class discussion, then you are limiting the learning of your classmates. You are expected to complete all of the required readings before each week's class meeting, and to be well-prepared to discuss the following kinds of questions about each reading during class:

- 1) What is the topic of the paper? What is the paper about?
- 2) What is the central argument of the paper?
- 3) If the paper aims to make a theoretical or conceptual contribution, then:
  - a) What is the theory?
  - b) What is the theoretical paradigm?
  - c) What are the relevant units and levels of analysis?
  - d) What are the relevant independent and dependent variables in the analysis?
  - e) What causal mechanism or mechanisms connect the independent variables to the dependent variables? What are the assumptions underlying that causal connection?
  - f) Is the theory internally consistent? If not, where are the inconsistencies?
  - g) What interesting (or at least non-obvious) predictions does the theory make?
  - h) How does the theory relate to other theories? Does it contradict, support, reinforce, extend, constrain, enlarge, or diminish other perspectives?
  - i) Is the theory useful? To whom (e.g., researchers or practitioners), and for what?
  - j) What important theoretical questions remain unanswered?
  - k) Do you find the theory persuasive? Why or why not?
- 4) If the paper aims to make an empirical contribution, then:
  - a) What motivated the study?
  - b) What is the empirical research question?
  - c) Are the hypotheses appropriate to addressing the research question?
  - d) Are the theoretical constructs appropriate for testing the hypotheses?
  - e) Are the variables appropriate operationalizations of the theoretical constructs?
  - f) How were alternative explanations controlled for?
  - g) How were other influences on statistical outcomes controlled for?
  - h) How was internal and external validity treated?
  - i) Is the research design appropriate? Could another design have produced more accurate, precise, or powerful results?
  - j) Are the conclusions and interpretations consistent with the empirical evidence presented?
  - k) Are the empirical results useful? To whom (e.g., researchers or practitioners), and for what?
  - l) What important empirical questions remain unanswered?
  - m) Do you find the evidence persuasive? Why or why not?

I would encourage each student to bring some notes to class related to the questions above. The quality and effectiveness of your class participation will constitute 20% of the course grade.

### **Term project: Research paper or research proposal**

You are required to prepare and submit an original single-authored 15 to 35 page term project that is either a standalone research paper in itself, or a proposal for a research project that could, if executed, become the basis of a publishable paper or dissertation.

This term project should not overlap in any significant way with any other project that you have done, or are doing, outside of this course (e.g., summer research papers, papers for other courses, or other projects done in collaboration with faculty members or other students).

The paper or research proposal should be aimed at either adding new knowledge to the strategic management field or bringing a new perspective to old findings within the field. In either case, it should be executed in a way that would be considered “interesting” in the sense of the Murray Davis “That’s Interesting!” article (which is assigned as required reading for the first week of the course). For your convenience, it is generally expected that this paper may be based on ideas from part #2 of your weekly homework assignments, but that is not necessary.

If the topic that you are interested in pursuing for your term project is something that gets covered later in the semester, you may need to “read ahead” in the syllabus and do some of the readings that are assigned for later in the semester at an earlier point than scheduled.

It is also expected that successful completion of this term project will probably require you to do additional reading of prior published literature in the strategy field that goes beyond what is assigned as required reading for this course. The Strategy Research Initiative’s “Strategy Reader” document (which is assigned as required reading for the first week of the course) can provide a useful guide for finding relevant prior research on your chosen topic for the term project.

Other than choosing an “interesting” topic, my main piece of advice when framing a research paper is that you should heed the following words of wisdom from the “Notice to Contributors” of *Administrative Science Quarterly*:

“We are interested in compact presentations of theory and research, suspecting that very long manuscripts contain an unclear line of argument, multiple arguments, or no argument at all. Each manuscript should contain one key point, which the author should be able to state in one sentence. Digressions from one key point are common when authors cite more literature than is necessary to frame and justify an argument.”

In a single sentence, what is your new, unique contribution? Why is it important? If the introduction does not clearly explain what your point is, and why your point is important, then the reader very easily loses interest in continuing to read. If you cannot articulate your research question in the form of a question and in a way that clearly explains why the question needs to be asked, then the reader tends to wonder whether you even have a meaningful research question at all.

This term project should adhere as closely as possible to the style guide of the *Academy of Management Journal* (see [http://aom.org/uploadedFiles/Publications/AMJ/amj\\_style\\_guide.pdf](http://aom.org/uploadedFiles/Publications/AMJ/amj_style_guide.pdf) for details). Here is a suggested outline for organizing your term project:

- 1) An “Introduction” section summarizing the justification for the research question or idea, and its theoretical rationale. A good way to write an introduction section is the “3 paragraph” model:
  - a) Paragraph #1 answers these questions: Which stream of literature (e.g., theory or phenomenon) are you contributing to? What are the main research questions in this literature stream, and which specific research question will this paper focus on? Who has already said what in this literature stream about that research question?
  - b) Paragraph #2 answers these questions: What problem or weakness have you identified in that literature stream? What is incomplete or incorrect in that literature stream?
  - c) Paragraph #3 answers these questions: How will you solve that problem in this paper? What new ideas, methods, data, theories, constructs, variables, measures, analytical techniques, etc., will you use in this paper to fix the problem or weakness that you have identified? What benefits will these new approaches provide, relative to the prior literature?
- 2) A “Theory” section where you more fully and thoroughly develop, explain, and justify your unique contribution to theory. A complete, full-blown theory would include three main components – what causes what, why and how, and under what conditions – as follows:
  - a) What causes what? An empirically falsifiable ***prediction***, with Independent and dependent variables that are clearly articulated and defined.
  - b) Why and how? A logical and internally-consistent ***causal mechanism***, which provides a bridge or a process through which the assumptions and boundary conditions provided in part (c) below will lead naturally to the prediction provided in part (a) above.
  - c) Under what conditions? A clear statement of the bare minimum set of ***assumptions and boundary conditions*** that must be fulfilled in order for the causal mechanism in part (b) above to apply, and in order for the prediction in part (a) above to be derived. (Imposing additional assumptions and boundary conditions beyond the bare minimum is viewed as undesirable, because it unnecessarily restricts the theory’s range of applicability.)

However, because it is nearly impossible to develop a complete, new, full-blown, paradigm-shifting theory in the space of a 30-page journal article, you should aim for making a smaller “bite-sized” contribution to theory, such as:

- a) Articulating a theory’s hidden assumptions or boundary constraints.
- b) Finding internal inconsistencies in a theory.
- c) Articulating previously overlooked points of inconsistency between theories.
- d) Introducing a new conceptual construct or variable.
- e) Questioning an existing conceptual construct or variable.
- f) Deriving new predictions from an old theory (or theories).
- g) Finding “dualities” between seemingly different theories/constructs that can actually be viewed as “two sides of the same coin.”
- h) Synthesizing multiple theories, where the combined whole is different than just the sum of the parts – i.e., interaction effects, where the combination of theories generates new and different predictions than the individual theories would predict in isolation.
- i) Extending a theory, by considering the consequences of relaxing restrictive assumptions or boundary constraints.

- j) Examining interesting special cases, where more and/or stronger predictions can be derived under additional assumptions or boundary constraints.
  - k) Importing theories, constructs, or variables across levels of analysis.
- 4) A “Data and Methods” section in which you describe a research design that would be appropriate to address your question or idea, using data that could *realistically* be collected, organized, and analyzed within a one-year time horizon (taking into account the financial constraints, data-access constraints, and time constraints on a typical doctoral student). Although this “Methodology” section will most likely consider how and where you might collect data, it is nevertheless possible that the relevant data might be readily available (e.g., in public databases or in data sets already collected by other researchers), in which case you are strongly encouraged to go ahead and perform the actual data analysis and report the results in the paper, in a separate “Results” section.

It is strongly recommended that you start thinking about the topic for your term project as early in the semester as possible, and that you discuss your initial thoughts with me, so that I can point you in the direction of relevant work that may be related to the topic you have in mind. I may be able to make some helpful suggestions about your topic that can save you from wasting lots of time and effort. I would be glad to meet with you individually to discuss your topic during the first half of the semester.

Also, in order to help you structure and pace your work on this term project, you will be required to submit intermediate “milestone” work-in-progress products according to the schedule outlined below, and the topic of your term project must be approved by the instructor (so do not prepare the paper, or get too far along in the project, before gaining the instructor’s approval of the topic and feedback):

- 1) Term project topic must be approved by me before class meeting #7 (Monday October 27). Even if we have already discussed your topic extensively, please submit a brief summary of your topic via email.
- 2) An outline of the proposed term project, about 2 pages in length, should be submitted via email before class meeting #8 (Monday November 3), but may be submitted earlier in order to gain instructor feedback earlier. This outline itself will not be graded, but rather will be used to provide feedback to the student to facilitate development of the project. However, failure to submit an outline by the deadline may result in a reduced grade for the term project.
- 3) A rough draft of the term project, even if it is still incomplete, should be submitted via email before class meeting #12 (Monday December 1). This rough draft will not be graded, but rather will be used to give you feedback to facilitate development of the project.
- 4) The deadline for submitting your completed term project is Friday December 12. By that date, please send it via email to both the instructor and to all of your classmates. This will give your classmates an opportunity to read it before your presentation, so that they can be prepared to ask relevant questions and provide constructive comments and suggestions after your presentation.

The term project will constitute 30% of the course grade.



**Presentation of Term Project**

During the time slot when this course is scheduled to have its final exam, each student will give a brief presentation of his/her term project. The amount of time allocated to each student's presentation will depend upon the number of students enrolled in the course, and will be announced several weeks in advance.

The audience for your presentation will include the instructor and your classmates, but may also include other doctoral students and/or faculty members as well.

During the formal presentation itself, questions from the audience will be limited to "clarification" questions only – i.e., questions aiming to clarify a potential misunderstanding about something you have either said or shown to the audience. The instructor will judge whether any question goes beyond mere clarification, and will ask for such non-clarifying questions to be postponed until after the formal presentation has been finished.

Immediately following each student's formal presentation, there will be a "question and answer" period during which the audience will have an opportunity to ask any other questions about your term project and presentation. During this time, the audience may also provide constructive comments or suggestions about your term project.

The quality and effectiveness of your presentation, including the quality and effectiveness of your responses to questions from the audience, will constitute 10% of the course grade.

## Week 1

Monday September 8

Topic: Overview of research in strategic management

Required readings:

- Ghemawat, P. 2002. Competition and Business Strategy in Historical Perspective. Business History Review 76(1): 37-74. <http://www.jstor.org/stable/4127751?origin=JSTOR-pdf>
- Rumelt, R.P., Schendel, D., and Teece, D. 1994. Fundamental Issues in Strategy. Cambridge MA: Harvard Business School Press, **PAGES 9-47 ONLY**. <http://goo.gl/TlvJaT>
- Oxley, J., Rivkin, J., Ryall, M.D, and the Strategy Research Initiative. 2009. SRI Strategy Reader. <http://strategyresearchinitiative.wikispaces.com/file/view/Ph.D.%20reader1.0-1.pdf>
- Makadok, R. 2011. The Four Theories of Profit and Their Joint Effects. Journal of Management 37(5): 1316-1334. <http://jom.sagepub.com/content/37/5/1316.full.pdf>
- Davis, M.S. 1971. That's Interesting!: Towards a Phenomenology of Sociology and a Sociology of Phenomenology. Philosophy of Social Science, 1: 309-344. <http://pos.sagepub.com/content/1/2/309.full.pdf>
- Whetten, D.A. 1989. What Constitutes a Theoretical Contribution? Academy of Management Review, 14(4): 490-495. <http://www.jstor.org/stable/258554>
- Varian, H. 1994. How to Build an Economic Model in Your Spare Time. <http://people.ischool.berkeley.edu/~hal/Papers/how.pdf>

Videoconference guest speaker: Michael Ryall (University of Toronto)

## Week 2

Monday September 15

Topic: Rivalry and its restraint

Required readings:

- Weiss, L.W. (1979). The Structure-Conduct-Performance Paradigm and Antitrust. University of Pennsylvania Law Review, 1104-1140.  
[http://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=4870&context=penn\\_law\\_review](http://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=4870&context=penn_law_review)
- Ravenscraft, D.J. 1983. Structure-Profit Relationship at the Line of Business and Industry Level. Review of Economics and Statistics 65(1): 22-31. <http://www.jstor.org/stable/1924405>
- Schmalensee, R. 1985. Do markets differ much? American Economic Review 75: 341-351.  
<http://www.jstor.org/stable/1814804>
- Chen, M-J. 1996. Competitor Analysis and Interfirm Rivalry: Toward a Theoretical Integration. Academy of Management Review 21(1): 100-134. <http://www.jstor.org/stable/258631>
- Porac, J.F., Thomas, H., Wilson, F., Paton, D., and Kanfer, A. 1995. Rivalry and the industry model of Scottish knitwear producers. Administrative Science Quarterly 40(2): 203-227.  
<http://www.jstor.org/stable/2393636>
- Gimeno, J. 1999. Reciprocal Threats in Multimarket Rivalry: Staking Out 'Spheres of Influence' in the U.S. Airline Industry. Strategic Management Journal 20(2): 101-128.  
<http://www.jstor.org/stable/3094021>
- Gimeno, J. and Woo, C.Y. 1999. Multimarket Contact, Economies of Scope, and Firm Performance. Academy of Management Journal 42(3): 239-259.  
<http://www.jstor.org/stable/256917>
- Makadok, R. and Ross, D.G. 2013. Taking Industry Structuring Seriously: A Strategic Perspective on Product Differentiation. Strategic Management Journal 34(5): 509-532.  
<http://www.jstor.org/stable/10.2307/23471056>

Videoconference guest speaker: Javier Gimeno (INSEAD)

### Week 3

Monday September 22

Topic: Competitive advantage and its consequences

Required readings:

- Barney, J.B. 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17: 99-120. <http://jom.sagepub.com/content/17/1/99.full.pdf>
- Peteraf, M.A. 1993. The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal*, 14: 179-191. <http://www.jstor.org/stable/2486921>
- Leiblein, M.J. 2011. What Do Resource- and Capability-Based Theories Propose? *Journal of Management* 37(4): 909-932. <http://jom.sagepub.com/content/37/4/909.abstract>
- Rumelt, R. 1991. How much does industry matter? *Strategic Management Journal*, 12: 167-185. <http://www.jstor.org/stable/2486591>
- McGahan, A.M. and Porter, M.E. 1997. How much does industry matter, really? *Strategic Management Journal*, 18(summer special issue): 15-30. <http://www.jstor.org/stable/3088208>
- Makadok, R., and Walker, G. 2000. Identifying a Distinctive Competence: Forecasting Ability in the Money Fund Industry. *Strategic Management Journal*, 21(8): 853-864. <http://www.jstor.org/stable/3094400>
- King, A.W. and Zeithaml, C. 2001. Competencies and Firm Performance: Examining the Causal Ambiguity Paradox. *Strategic Management Journal* 22(1): 75-99. <http://www.jstor.org/stable/3094255>
- Lieberman, M.B. and Dhawan, R. 2005. Assessing the Resource Base of Japanese and U.S. Auto Producers: A Stochastic Frontier Production Function Approach. *Management Science* 51(7): 1060-1075. <http://www.jstor.org/stable/20110398>

Videoconference guest speaker: Michael Leiblein (Ohio State University)

## **Week 4**

**Monday September 29**

### **Topic: Origins of competitive advantage**

#### **Required readings:**

- Barney, J.B. 1986. Strategic factor markets: Expectations, luck, and business strategy. Management Science, 32: 1231-1241. <http://www.jstor.org/stable/2631697>
- Dierickx, I., and Cool, K. 1989. Asset stock accumulation and sustainability of competitive advantage. Management Science, 35(12): 1504-1511. <http://www.jstor.org/stable/2632235>
- Barney, J.B. 1989. Asset Stocks and Sustained Competitive Advantage: A Comment. Management Science, 35(12): 1511-1513. <http://www.jstor.org/stable/2632236>
- Makadok, R and Barney, J.B. 2001. Strategic Factor Market Intelligence: An Application of Information Economics to Strategy Formulation and Competitor Intelligence. Management Science 47(12): 1621-1638. <http://www.jstor.org/stable/822707>
- Ryall, M.D. 2003. Subjective Rationality, Self-Confirming Equilibrium, and Corporate Strategy. Management Science 49(7): 936-949. <http://www.jstor.org/stable/4133967>
- Knott, A.M. 2003. The organizational routines factor market paradox. Strategic Management Journal, 24(10): 929-943. <http://www.jstor.org/stable/20060589>
- Ahuja, G. and Katila, R. 2004. Where Do Resources Come From? The Role of Idiosyncratic Situations. Strategic Management Journal 25(8-9): 887-907. <http://www.jstor.org/stable/20142166>
- Document containing sets of PowerPoint slides from panel discussion on Strategic Factor Markets at 2014 Atlanta Competitive Advantage Conference.

Videoconference guest speaker: Jay Barney (University of Utah)

## Week 5

Monday October 6

Topic: Preemption vs. flexibility in the timing of commitments

Required readings:

- Lieberman, M.V. and Montgomery, D.B. 1988. First-mover advantages. Strategic Management Journal, 9: 41-58. <http://www.jstor.org/stable/2486211>
- Makadok, R. 1998. Can First-Mover and Early-Mover Advantages Be Sustained in an Industry with Low Barriers to Entry/Imitation? Strategic Management Journal 19: 683-696. <http://www.jstor.org/stable/3094150>
- Ghemawat, P. and Ricart i Costa, J.E. 1993. The Organizational Tension between Static and Dynamic Efficiency. Strategic Management Journal 14(Winter special issue): 59-73. <http://www.jstor.org/stable/2486497>
- Teece, D.J., Pisano, G., and Shuen, A. 1997. Dynamic Capabilities and Strategic Management. Strategic Management Journal 18: 509-534. <http://www.jstor.org/stable/3088148>
- Eisenhardt, K.M. and Martin, J.A. 1997. Dynamic capabilities: What are they? Strategic Management Journal, 21: 1105-1121. <http://www.jstor.org/stable/3094429>
- Peteraf, M., Di Stefano, G., and Verona, G. 2013. The Elephant in the Room of Dynamic Capabilities: Bringing Two Diverging Conversations Together. Strategic Management Journal 34(12): 1389-1410. <http://onlinelibrary.wiley.com/doi/10.1002/smj.2078/abstract>
- Pacheco-de-Almeida, G. and Zemsky, P. 2003. The Effect of Time-to-Build on Strategic Investment under Uncertainty. RAND Journal of Economics 34(1): 166-182. <http://www.jstor.org/stable/3087448>
- Pacheco-de-Almeida, G., Henderson, J.E., and Cool K.O. 2008. Resolving the Commitment Versus Flexibility Trade-Off: The Role of Resource Accumulation Lags. Academy of Management Journal 51(3): 517-536. <http://www.jstor.org/stable/20159524>

Videoconference guest speaker: Gonalo Pacheco de Almeida (HEC Paris)

Note: Due to Fall Break, class will not meet on Monday October 13.

## Week 6

Monday October 20

### Topic: Information asymmetry in transactional governance

#### Required readings:

- Williamson, O.E. 1988. The logic of economic organization. *Journal of Law, Economics, and Organization*. 4: 65-93. <http://www.jstor.org/stable/765015>
- Grossman, S. and Hart, O. 1986. The costs and benefits of ownership: A theory of lateral and vertical integration. *Journal of Political Economy*, 91: 907-928. <http://www.jstor.org/stable/1833199>
- Walker, G. and Weber, D. 1984. A Transaction Cost Approach to Make-or-Buy Decisions. *Administrative Science Quarterly* 29(3): 373-391. <http://www.jstor.org/stable/2393030>
- Walker, G. and Poppo, L. 1991. Profit Centers, Single-Source Suppliers, and Transaction Costs. *Administrative Science Quarterly* 36(1): 66-87. <http://www.jstor.org/stable/2393430>
- Silverman, B., Nickerson, J., and Freeman, J. 1997. Profitability, Transactional Alignment, and Organizational Mortality in the U.S. Trucking Industry. *Strategic Management Journal*, 18(S1): 31-52. <http://www.jstor.org/stable/3088209>
- Nickerson, J. and Silverman, B. 2003. Why firms want to organize efficiently and what keeps them from doing so: Inappropriate governance, performance and adaptation in a deregulated industry. *Administrative Science Quarterly*, 48: 433-465. <http://www.jstor.org/stable/3556680>
- Makadok, R. and Coff, R. 2009. Both Market and Hierarchy: An Incentive-Systems Theory of Hybrid Governance Forms. *Academy of Management Review* 34(2): 297–319. <http://amr.aom.org/content/34/2/297.full.pdf+html>

Videoconference guest speaker: Gordon Walker (Southern Methodist University)

## Week 7

Monday October 27

Topic: Information asymmetry in corporate governance

Required readings:

- Jensen, M.C. and Meckling, W.H. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3: 305-360.  
<http://www.sciencedirect.com/science/article/pii/0304405X7690026X>
- Fama, E. 1980. Agency problems and the theory of the firm. Journal of Political Economy, 288-307. <http://www.jstor.org/stable/1837292>
- Zajac, E. and Westphal, J. 1994. The costs and benefits of managerial incentives and monitoring in large U.S. corporations. Strategic Management Journal, 15: 121-142.  
<http://www.jstor.org/stable/2486814>
- Rediker, K.J. and Seth, A. 1995. Boards of Directors and Substitution Effects of Alternative Governance Mechanisms. Strategic Management Journal, 16(2): 85-99.  
<http://www.jstor.org/stable/2486913>
- Demsetz, H., and Villalonga, B. 2001. Ownership structure and corporate performance. Journal of Corporate Finance, 7: 209–233. <http://www.people.hbs.edu/bvillalonga/DemsetzVillalonga.pdf>
- Villalonga, B. and Amit, R. 2006. How do family ownership, control, and management affect firm value? Journal of Financial Economics, 80 (2), 385–417.  
<http://www.people.hbs.edu/bvillalonga/VillalongaAmitJFE2006.pdf>
- Hambrick, D., von Werder, A. and Zajac, E. “New Directions in Corporate Governance Research.” Organization Science, 19(3):381-385, 2008. <http://dx.doi.org/10.1287/orsc.1080.0361>

In order to accommodate the schedule of this week’s guest speaker, we will end our regular Monday class meeting early and then hold the videoconference part of this week’s class on Wednesday October 29, from 4:15 to 5:30 pm.

Videoconference guest speaker: Ed Zajac (Northwestern University)



## Week 8

Monday November 3

### Topic: Value-based strategy framework

#### Required readings:

- Brandenburger, A.M. and Stuart, H.W. 1996. Value-Based Business Strategy. *Journal of Economics and Management Strategy* 5(1): 5–24. <http://pages.stern.nyu.edu/~hstuart/VBBS.pdf>
- MacDonald, G. and Ryall, M.D. 2004. How Do Value Creation and Competition Determine Whether a Firm Appropriates Value? *Management Science* 50(10): 1319–1333. <http://www.jstor.org/stable/30046177>
- Brandenburger, A. and Stuart, H.W. 2007. Biform Games. *Management Science* 53(4): 537–549. <http://www.jstor.org/stable/20110721>
- Ryall, M.D. and Sorenson, O. 2007. Brokers and Competitive Advantage. *Management Science* 53(4): 566–583. <http://www.jstor.org/stable/20110723>
- Chatain, O. and Zemsky, P. 2007. The Horizontal Scope of the Firm: Organizational Tradeoffs vs. Buyer-Supplier Relationships. *Management Science* 53(4): 550–565. <http://www.jstor.org/stable/20110722>
- Ryall, M.D. 2009. Causal Ambiguity, Complexity, and Capability-Based Advantage. *Management Science* 55(3): 389–403. <http://dx.doi.org/10.1287/mnsc.1080.0938>
- Chatain, Olivier. 2011. Value Creation, Competition, and Performance in Buyer-Supplier Relationships. *Strategic Management Journal* 32(1): 76–102. <http://onlinelibrary.wiley.com/doi/10.1002/smj.864/abstract>
- Grennan, M. Forthcoming. Bargaining Ability and Competitive Advantage: Empirical Evidence from Medical Devices. *Management Science*.

Videoconference guest speaker: Harborne W. “Gus” Stuart, Jr. (Columbia University)

## Week 9

Monday November 10

**Topic: Joint effects of competitive advantage and rivalry restraint**

Required readings:

- Makadok, R. 2010. The Interaction Effect of Rivalry Restraint and Competitive Advantage on Profit: Why the Whole Is Less Than the Sum of the Parts. *Management Science* 56(2): 356–372.  
<http://dx.doi.org/10.1287/mnsc.1090.1102>
- Chatain, O. and Zemsky, P. 2011. Value Creation and Value Capture with Frictions. *Strategic Management Journal* 32(11): 1206-1231.  
<http://onlinelibrary.wiley.com/doi/10.1002/smj.939/abstract>
- Berger, A.N. and Hannan, T.H. 1998. The Efficiency Cost of Market Power in the Banking Industry: A Test of the "Quiet Life" and Related Hypotheses. *Review of Economics and Statistics* 80(3): 454-465. <http://www.jstor.org/stable/2646754>
- Chatain O. Forthcoming. How Do Strategic Factor Markets Respond to Rivalry in the Product Market? *Strategic Management Journal*.  
<http://onlinelibrary.wiley.com/doi/10.1002/smj.2188/abstract>
- Asmussen, C.G. Forthcoming. Strategic Factor Markets, Scale-Free Resources, and Economic Performance: The Impact of Product Market Rivalry. *Strategic Management Journal*.  
<http://onlinelibrary.wiley.com/doi/10.1002/smj.2315/abstract>
- Montez, J., Ruiz-Aliseda, F. and Ryall M.D. 2013. Quantifying the negative -- and positive -- effects of competitive intensity on firm performance. Unpublished working paper.  
[http://works.bepress.com/michael\\_ryall/20/](http://works.bepress.com/michael_ryall/20/)
- Schmidt, J., Makadok, R. and Keil, T. 2014. Customer-Specific Synergies and Market Convergence. Unpublished working paper.

Videoconference guest speaker: Olivier Chatain (HEC Paris)

## Week 10

Friday November 14

(in lieu of meeting on November 17, due to a teaching conflict)

**Topic: Joint effects of competitive advantage and information asymmetry**

Required readings:

- Cohen, W.M. and Levinthal, D.A. 1990. Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quarterly* 35(1): 128-152.  
<http://www.jstor.org/stable/2393553>
- Coff, R.W. 1999. When competitive advantage doesn't lead to performance: The resource-based view and stakeholder bargaining power. *Organization Science*, 10(2): 119-133.  
<http://www.jstor.org/stable/2640307>
- Makadok, R. 2001. Toward a Synthesis of the Resource-Based and Dynamic-Capability Views of Rent Creation. *Strategic Management Journal* 22(5): 387-402.  
<http://www.jstor.org/stable/3094265>
- Makadok R. 2003. Doing the Right Thing and Knowing the Right Thing to Do: Why the Whole Is Greater Than the Sum of the Parts. *Strategic Management Journal* 24(10): 1043-1055.  
<http://www.jstor.org/stable/20060597>
- Coff, R.W. 2003. Bidding Wars Over R&D Intensive Firms: Knowledge, opportunism and the market for corporate control. *Academy of Management Journal*, 46(1): 74-85.  
<http://www.jstor.org/stable/30040677>
- Obloj, T. and Zemsky, P. Forthcoming. Value creation and value capture under moral hazard: Exploring the micro-foundations of buyer-supplier relationships. *Strategic Management Journal*.  
<http://onlinelibrary.wiley.com/doi/10.1002/smj.2271/abstract>

In order to accommodate the schedule of this week's guest speaker, we will end our regular Monday class meeting early and then hold the videoconference part of this week's class on Thursday November 20, from 4:15 to 5:30 pm.

Videoconference guest speaker: Russell Coff (University of Wisconsin)

## Week 11

Monday November 24

Topic: Empirical evidence about the sustainability of firm performance

Required readings:

- Jacobsen, R. 1988. The persistence of abnormal returns. *Strategic Management Journal*, 9: 415-430. <http://www.jstor.org/stable/2485953>
- Waring, G.F. 1996. Industry difference in the persistence of firm-specific returns. *American Economic Review*, 86: 1253-1265. <http://www.jstor.org/stable/2118289>
- McGahan, A.M. & Porter, M.E. 1997. The Persistence of Shocks to Profitability. *Review of Economics and Statistics*, 81(1): 143–153. <http://www.jstor.org/stable/2646793>
- Roberts, P.W. and Dowling, G.R. 2002. Corporate Reputation and Sustained Superior Financial Performance. *Strategic Management Journal*, 23: 1077–1093. <http://www.jstor.org/stable/3094296>
- Wiggins, R.R. and Ruefli, T.W. 2002. Sustained Competitive Advantage: Temporal Dynamics and the Incidence and Persistence of Superior Economic Performance. *Organization Science*, 13(1): 82-105. <http://www.jstor.org/stable/3086069>
- McNamara, G., Vaaler, P., and Devers, C. 2003. Same as it ever was: The search for increasing hypercompetition. *Strategic Management Journal*, 24(3): 261-278. <http://www.jstor.org/stable/20060528>
- Wiggins, R.R. and Ruefli, T.W. 2005. Schumpeter's Ghost: Is Hypercompetition Making the Best of Times Shorter? *Strategic Management Journal*, 26(10): 887–911. <http://www.jstor.org/stable/20142279>
- Denrell, J. 2004. Random Walks and Sustained Competitive Advantage. *Management Science*, 50(7): 922–934. <http://www.jstor.org/stable/30047949>

Videoconference guest speaker: Anita McGahan (University of Toronto)

## Week 12

Monday December 1

**Topic: Joint effects of competitive advantage and commitment timing**

Required readings:

- Ghemawat, P. 1991. Market Incumbency and Technological Inertia. *Marketing Science* 10(2): 161-171. <http://dx.doi.org/10.1287/mksc.10.2.161>
- Lieberman, M.B. and Montgomery, D.B. 1998. First-Mover (Dis)Advantages: Retrospective and Link with the Resource-Based View. *Strategic Management Journal* 19: 1111-1125. <http://www.jstor.org/stable/3094199>
- Teece, D. J. 1986. Profiting from technological innovation: Implications for integration, collaboration, licensing, and public policy. *Research Policy* 15(6): 285-305. <http://www.sciencedirect.com/science/article/pii/0048733386900272#>
- Narasimhan, C., & Zhang, Z. J. 2000. Market entry strategy under firm heterogeneity and asymmetric payoffs. *Marketing Science* 19: 313-327. <http://dx.doi.org/10.1287/mksc.19.4.313.11790>
- Mitchell W. 1989. Whether and When? Probability and Timing of Incumbents' Entry into Emerging Industrial Subfields. *Administrative Science Quarterly* 34(2): 208-230. <http://www.jstor.org/stable/2989896>
- Mitchell W. 1991. Dual Clocks: Entry Order Influences on Incumbent and Newcomer Market Share and Survival When Specialized Assets Retain Their Value. *Strategic Management Journal* 12(2): 85-100. <http://www.jstor.org/stable/2486340>
- Robinson, W. T., Fornell, C., & Sullivan, M. 1992. Are market pioneers intrinsically stronger than later entrants? *Strategic Management Journal* 13: 609-624. <http://www.jstor.org/stable/2486653>

Videoconference guest speaker: Marvin Lieberman (UCLA)

## **Week 13**

**Monday December 8**

**Topic: Diversification “in the eye of the beholder”**

Required readings:

- Robins, J., and Wiersema, M.F. 1995. A resource-based approach to the multibusiness firm: empirical analysis of portfolio interrelationships and corporate financial performance. *Strategic Management Journal*, 16: 277-299. <http://www.jstor.org/stable/2486958>
- Li, S.X. and Greenwood, R. 2004. The Effect of within-Industry Diversification on Firm Performance: Synergy Creation, Multi-Market Contact and Market Structuration. *Strategic Management Journal* 25(12): 1131-1153. <http://www.jstor.org/stable/20142187>
- 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): 1109-1124. <http://www.jstor.org/stable/2634810>
- Amihud, Y. and Lev, B. 1981. Risk reduction as a managerial motive for conglomerate mergers. *Bell Journal of Economics*, 12: 605-617. <http://www.jstor.org/stable/3003575>
- Nayyar, P.R. 1993. Performance Effects of Information Asymmetry and Economies of Scope in Diversified Service Firms. *Academy of Management Journal* 36(1): 28-57. <http://www.jstor.org/stable/256511>
- Bowman, E.H. and Helfat, C.E. 2001. Does Corporate Strategy Matter? *Strategic Management Journal* 22(1): 1-23. <http://www.jstor.org/stable/3094251>
- Campa, J.M. and Kedia, S. 2002. Explaining the diversification discount. *Journal of Finance*, 57: 1731–1762. <http://www.jstor.org/stable/3094522>

**In order to accommodate the schedule of this week’s guest speaker, we will end our regular Monday class meeting early and then hold the videoconference part of this week’s class on Tuesday December 9, from 4:15 to 5:30 pm.**

Videoconference guest speaker: Brian Silverman (University of Toronto)

The deadline for emailing your completed term project to the instructor and your classmates is Friday December 12.

You are expected to read your classmates’ term projects before their presentations, so that you can be prepared to ask relevant questions and provide constructive comments and suggestions after their presentations.

## Week 14

**Monday December 15, or whenever this course's final exam time slot is scheduled**

### **Final presentations of term projects, in lieu of final exam**

Required readings:

- Your classmates' term projects.

You will receive copies of your classmates' term projects by Friday December 12, and you are expected to read their term projects before their presentations, so that you can be prepared to ask relevant questions and provide constructive comments and suggestions after their presentations.

The amount of time allocated to each student's presentation will depend upon the number of students enrolled in the course, and will be announced several weeks in advance.

The audience for your presentation will include the instructor and your classmates, but may also include other doctoral students and/or faculty members as well.

During the formal presentation itself, questions from the audience will be limited to "clarification" questions only – i.e., questions aiming to clarify a potential misunderstanding about something you have either said or shown to the audience. The instructor will judge whether any question goes beyond mere clarification, and will ask for such non-clarifying questions to be postponed until after the formal presentation has been finished.

Immediately following each student's formal presentation, there will be a "question and answer" period during which the audience will have an opportunity to ask any other questions about your term project and presentation. During this time, the audience may also provide constructive comments or suggestions about your term project.