

## Seminar in Strategic Management

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### Spring A: Jan-Feb 2018

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**Meeting Time:** Tuesday 1:00pm-4:00pm  
**Classroom:** Mason 229

### Overview and Objectives

This course is designed to expose doctoral students to a broad foundation in Strategic Management research. The course will offer an introduction to the range of research on strategic management, from the theoretical to the empirical, and from the classic to the current. However, the emphasis in this course is on the empirical testing of the core tenets of the main paradigms in Strategy. This course is intended mainly for first-year Strategy and International Business doctoral students. Other students in related disciplines are also welcome to take this course. It has been designed to complement the contents and flow of other previous doctoral seminars in Strategy. While the earlier seminars in Strategy exposed the students to the main theoretical paradigms of these literatures, this seminar will address the issues encountered in empirical research. The focus of class discussions in this course will not be on the theoretical content of theories, but rather the methodological issues involved in testing them.

### Approach

The format of the course will be that of a research seminar meaning active, engaged reading of the week's materials followed by written assignments/presentations and an intensive group discussion.

There are three main components to this course.

1. **Weekly readings:** The reading load is reasonable, but the expectation is that each student will come prepared to discuss each article. An active and well-informed discussion is critical to the success of such a course.
2. **Weekly Assignments:** Students are required to turn in a two page critique of one of the empirical papers assigned for each class (except first class). Please use the guidelines for writing critiques on the next pages.
3. **Course project:** At the end of the course, each student will submit an empirical paper or proposal (about 30 pages). It should include the following: research question and topic, received theory and literature, novel predictions, data

description, empirical methods and analysis, empirical findings and conclusions, implications for theory, and meaning to managers. You will have two opportunities to present your paper proposal and obtain feedback.

In terms of evaluation, the final grade will be based on all three components (class discussion, weekly assignment and course project); each of these three components would be weighted equally. Students “auditing” the course are not required to submit a course project. Students will be graded on their work submitted by the end of the term- there will be no ‘incomplete’ grades granted.

## **Guidelines for Critiquing Empirical Research (Weekly Assignments)**

The following guidelines are provided to help with preparation for discussions and presentations.

1. Briefly summarize the question the author is trying to answer. Is this question interesting and important? Why or why not? In evaluating the importance of the question, you should consider whether the author's review of the literature suggests a logical need for this research. Some issues you might want to think about are: Is this research the first empirical test of an important theoretical prediction? Does this research extend existing theory? Does this research test competing theoretical predictions? Does this research remedy important flaws in past empirical research? A good empirical piece does not need to do all of these, but it should be more than just a minor extension of an overly complex model.
2. Briefly describe the model the author uses to answer the research question. What are the key concepts in the model and what are the relationships between those concepts? Try to be as specific as possible in describing the model (e.g., do not say "this paper tests a transactions costs theory of the employment relationship," rather say that "this paper examines the idea that the firm specificity of employees' skills affects the mechanisms a firm uses to govern the employment relationship".) Your summary of the model should be brief; it should indicate that you understand that author's model without describing it in detail. If you are able, you may wish to comment on how well the model fits with existing literature in the area. How well does the model represent what we already know about the author's research question?
3. Discuss the appropriateness of the author's methodology. Does the methodology appear to be able to answer the author's research question? Some issues to consider are: Is the sample appropriate (e.g., if the author wants to study factors that affect the death of firms, does the sample include both firms that died and comparable firms that did not die?) Are the measures reasonable representations of the constructs in the author's model (e.g., in the study just described, how does the author measure organizational death—is this measure consistent with the author's theoretical description of the construct?)
4. Include some evaluation of the appropriateness of the statistical tests. Are the tests reasonable, given the author's research question? Does the author explore alternative explanations for the results and test them where possible? How well does the author explain anomalous or unexpected results? Are the author's explanations for these results tested, where possible? Be careful not to get bogged down in detail. Do not criticize the statistical tests unless you can offer some reasonable explanation for why the test is inappropriate or for why an alternative test would be more appropriate. For example, do not say "the author should have used a regression analysis instead of comparing means across organizations" unless you can explain why a simple comparison of means is not appropriate and how a regression analysis would have

improved the author's results.

5. Evaluate the author's conclusions. Do the conclusions address the author's research question? Are the conclusions consistent with the results? Are there any untested alternative explanations for the author's results? If these alternative explanations cannot be tested in this research, does the author suggest ways in which these explanations might be tested in future research? Does the author discuss the limitations of the research and describe ways of remedying those limitations in future research?
6. Provide suggestions for improvement (this can be done in conjunction with each of the items listed above or as a separate section of the critique). For each major criticism of the work, suggest ways in which the work could be improved. For example, if you feel that the research question is not important, suggest a related, but more important, research question. If you believe that the sample is flawed, suggest a more appropriate, but still reasonable sample. You should refrain from making suggestions that are correct theoretically but infeasible practically. For example, you could criticize most research by saying "the author should have selected a random sample of organizations." While this is true in theory, it is typically impossible in practice and thus is not a very useful criticism. Your suggestions for improvement should focus on practical, reasonable steps that the author could take to improve the research. If you are one of the fortunate few who reviews a study that, like Mary Poppins, is "practically perfect in every way," you should have several ideas for expanding the research. Sketch out these ideas and indicate which you think would be most valuable to pursue.
7. In addition, the presentation should also include an integrative framework for the session that helps in linking all the articles. Depending on the class, this may include dividing the articles between theoretical and empirical, or ordering them chronologically etc.

## Background Reading & References

Please use the following readings to develop your course projects.

### *Research Questions & Contribution*

Van de Ven, A. 2000. Professional Science for a Professional School: Action Science and Normal Science. In M. Beer & N. Nohria (Eds.), *Breaking the Code of Change*: 393-414. Boston, MA: Harvard Business School Press.

Davis, M. S. 1971. That's Interesting! *Philosophy of Social Science*, 1: 309-344.

Poole, M. S. & Van de Ven, A. H. 1989. Using Paradox to Build Management and Organization Theories. *Academy of Management Review*, 14(4): 562-578.

Whetten, D. A. 1989. What Constitutes a Theoretical Contribution? *Academy of Management Review*, 14(4): 490-495.

Locke, K. & Karen, G. B. 1997. Constructing Opportunities for Contribution: Structuring Intertextual Coherence and 'Problematizing' in Organizational Studies. *Academy of Management Journal*, 40(5): 1023-1062.

### *Literature Review*

Hart, C. 1998. *Doing a Literature Review: Releasing the Social Science Research Imagination*. London: Sage Publications.

Tranfield, D., Denyer, D., & Smart, P. 2003. Towards a Methodology for Developing Evidence-Informed Management Knowledge by Means of Systematic Review. *British Journal of Management*, 14(3): 207-222.

Locke, L. F., Spirduso, W. W., & Silverman, S. J. 2000. *Proposals That Work: A Guide for Planning Dissertations and Grant Proposals*. London: Sage Publications (Chapters 1-6).

## CLASS SCHEDULE

### 1. Introduction & Locus of Performance

Schmalensee, R. (1985). Do Markets Differ Much? *American Economic Review*, 75, 341-351.

Rumelt, Richard P., 1991, How much does industry matter? *Strategic Management Journal* 12, 167–185.

McGahan, A. M. and M. E. Porter (1997). How Much Does Industry Matter, Really? *Strategic Management Journal*, 18 (Summer Special Issue), 15-30.

Bertrand, M., and A. Schoar, 2003, Managing with style: The effect of managers on firm policies, *The Quarterly Journal of Economics* 118, 1169–1208.

Bennedson Morten; Pérez-González, Francisco; and Wolfenzon, Daniel. Do CEOs matter? Working Paper, 2007.

### 2. Competitive Strategy & Dynamics

Chen MJ, Smith KG, Grimm CM. 1992. Action characteristics as predictors of competitive responses, *Management Science*, **38**(3): 439-455

Weigelt K, Camerer C. 1988. Reputation and corporate strategy: a review of recent theory and applications. *Strategic Management Journal*, **9**(5): 443–454.

Saloner, G. (1991). "Modeling, game theory, and strategic management." *Strategic Management Journal* **12**: 119.

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

Anand, Mesquita and Vassolo, "The Dynamics of Multimarket Competition In Exploration and Exploitation Activities", *Academy of Management Journal*, August 2009, 52(4), 802-821.

Katz and Shapiro, Network Externalities, Competition, and Compatibility, *American Economic Review*, Vol. 75, No. 3. (Jun., 1985), pp. 424-440.

### **3. Resource-based View**

Henderson, R. & I. Cockburn (1994). Measuring Competence? Exploring Firm Effects in Pharmaceutical Research. *Strategic Management Journal*, 15, 63-84.

Godfrey, P. C. and C. W. L. Hill (1995). The Problem of Unobservables in Strategic Management Research. *Strategic Management Journal*, 16, 519-533.

Anand & Singh (1997) Asset Redeployment, Acquisitions & Corporate Strategy in Declining Industries, *Strategic Management Journal*.

Anand, Kim and Lu, "Resource Characteristics and Redeployment Strategies: Towards A Theoretical Synthesis", *Advances in Strategic Management*, 2016, 35, 155-184.

Ahuja G, Katila R. 2004. Where do resources come from? The role of idiosyncratic situations. *Strategic Management Journal* 25(8-9): 887-907

### **4. Technological Change & Dynamic Capabilities**

Tushman, M. L. and P. Anderson (1986). Technological Discontinuities and Organizational Environments. *Administrative Science Quarterly*, 31, 439-465.

Tripsas M. 1997. Unraveling the process of creative destruction: Complementary assets and incumbent survival in the typesetter industry. *Strategic Management Journal* 18: 119-142.

Winter SG. 2003. Understanding dynamic capabilities. *Strategic Management Journal* 24(10): 991-995.

Anand, Oriani & Vassolo (2009). Alliance Activity as a Dynamic Capability in Face of Discontinuous Technological Change, *Organization Science*.

### **5. Transactions Costs & Relational View**

Armour, H. O. and D. J. Teece (1978). Vertical Integration and Technological Innovation. *Review of Economics and Statistics*, 60, 470-474.

Masten, S. E., J. W. Meehan, Jr., and E. A. Snyder (1991). The Cost of Organization, *Journal of Law, Economics and Organization*, 7, 1-25

Lafontaine, Francine, and Margaret Slade, 2007, Vertical integration and firm boundaries: The evidence, *Journal of Economic Literature* 45, 629–685.

Mesquita, Anand & Brush (2008) Comparing the Resource Based and Relational Views: Knowledge Transfer and Spillovers in Vertical Alliances, *Strategic Management Journal*.

## **6. Real Options**

Kogut, B. (1991). Joint Ventures and the Option to Expand and Acquire. *Management Science*, 37, 1, 19-33.

McCarthy, D. J., and S. M. Puffer (1997). Strategic Investment Flexibility for MNE Success in Russia: Evolving Beyond Entry Modes. *Journal of World Business*, 32, 4, 293-319.

Vassolo, Anand and Folta (2004) Non-additivity in Portfolios of Exploration Activities: A Real Options based Analysis of Equity Alliances in Biotechnology, *Strategic Management Journal*.

## **7. Paper presentations-final**

**Submit electronic version of final revised paper by email by February 26.**