

# Management 402 – Seminar in Strategic Management

Spring 2003 . Mondays 12:00-3:00 pm . Professor Michael Lubatkin

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## Description, Purpose & Evaluation

This seminar will present an overview of research streams in the strategic management field. With each stream, we will be introduced to some of the conceptual foundations on which the stream is based, the various propositions that are advanced and/or the hypotheses that are tested, the methodologies used, and the principal empirical findings. The primary focus each week revolves around three questions:

1. *Which of the assigned papers did you like the best?* Each week you will share your ranking (from best to worst) of the assigned papers in terms of the contribution that you feel each made to the field's knowledge base, and the reasons why you ranked them as you did.
2. *Where do we go from here?* Based on a brief, but current view of the week's research stream topic, what interesting theoretical question(s) remain that beg to be asked and why are the question(s) interesting? Each week I will assign one or more of you to formally present, in about 20 minutes, your thoughts (propositions, hypotheses, model, or framework, etc.) for expanding the field's knowledge base on that research stream, including how your research question might be empirically investigated. In addition to the presentation, you are to make available, by 9:00 a.m. of the day of class, a carefully crafted introduction to your proposal, following an *AMR*-like, three paragraph format, where you tell us: a) what do we (i.e., the literature) already know about the topic; b) what are one or two interesting theoretical gaps in our understanding; and c) how you propose to fill those gaps; i.e., what are your original thoughts, which are grounded in extant theory and literature, for extending current understanding. (For helpful hints, see the "Information to Contributors" page that precedes each issue of *AMR*, as well as well-written introductions that appear in any issue of *AMR*, or in our weekly readings.) We will then offer our thoughts about what you presented, as well as any intuitions that we might have had about the weekly topic.
3. *How were the hypotheses tested?* We will discuss, and offer our opinions, about the measures and methods used in one of the papers. One person each week will be assigned to lead the discussion.

The secondary focus is anecdotal. Three guest scholars and myself will share with you our personal experiences with the publication process. For example, I will share reviews received on recent papers, and how I responded to them.

The primary goal of this course is to improve your theoretical and research skills and to give you a realistic appraisal of the agonies and ecstasies of living in a publish or perish universe. We will conclude with a research proposal, as described in the course outline. Your performance will be determined by your contribution to class discussions and the defensibility of your research proposal.

Please attend the first class meeting (**January 20<sup>th</sup>**) with some thoughts about "what is strategic management theory" (i.e., does it offer a viable "theory of the firm?" What bodies of literature does it draw from; what is its relevant domain (or boundaries) – that is, how does the field of strategy differ from organizational theory and organizational behavior; what are some core questions that drive the curiosity of strategic management scholars; what are the challenges of doing strategic management research; etc.?)



## **DAY 1: TOWARDS A STRATEGIC THEORY OF THE FIRM**

1. Bettis, R. 1991. Strategic management in a straight jacket. *OS*, 2(3): 315-319.
2. Hoskisson, R., Hitt, M., Wan, W., & Yiu, D. 1999. Theory and research in strategic management: Swings of a pendulum. *JOM*: 417-456.
3. Ghoshal, S. & Moran, P. 1996. Bad for practice: A critique of the transaction cost theory. *AMR*, 21(1): 13-47.
4. Lubatkin, M., Lane, P., Collin, S., Very, P. 2002. A general model of agency to explain national differences in principal-agent relationships and opportunism. Working paper (presented at 2002 AOM). Previous versions rejected at *AMR*, *JOM*, and *HR*.
5. Porter, M. 1991. Towards a dynamic theory of strategy. *SMJ*, 12: 95-117.
6. Lubatkin, M., Schulze, W., & McNulty, J. 2003. But will it raise my share price? New thoughts about an old question. In press in *Long Range Planning*.
7. Ketchen, D. 2002. Some candid thoughts on the publication process. *JOM*, 28(5): 585-590.

## **DAY 2: STRATEGIC MANAGEMENT & ORGANIZATIONAL ECONOMICS**

1. Lane, P., Cannella, B., & Lubatkin, M. 1998. Agency problems in mergers and diversification: Amihud and Lev reconsidered. *SMJ*, 19(6): 555-578.
2. Young, M., Peng, M., Ahlstrom, D., & Bruton, G. Principal-principal agency conflicts of corporate governance. Working paper.
3. Lane, P., Cannella, B., & Lubatkin, M. 1999. Ownership structure and corporate strategy: One question viewed from two different worlds. *SMJ*, 20(11): 1077-1086.
4. Moran, P. & Ghoshal, S. 1996. Theories of economic organization: The case for realism and balance. *AMR*, 21(1): 58-72.
5. Jacobides, M. & Croson, D. 2001. Information policy: Shaping the value of agency relationships. *AMR*, 26(2): 202-223.
6. Lubatkin, M., Schulze, W., Ling, Y., & Dino, R. A behavioral economic framing of agency problems at family firms. Submitted, 12/02, to *AMR*.

## **DAY 3: STRATEGIC MANAGEMENT, FINANCIAL ECONOMICS & RISK**

1. Lubatkin, M. & Chatterjee, S. 1993. Extending modern portfolio theory into the domain of corporate diversification: Does it apply? *AMJ*, 37(1): 109-136.
2. Weisman, R. & Gomez-Mejia, L. 1998. A behavioral agency model of managerial risk taking. *AMR*, 23(1):
3. McGrath, R. 1998. Falling forward: Real options reasoning and entrepreneurial failure. *AMR*, 23(4):
4. Chatterjee, S., Lubatkin, M., & Schulze, W. 1999. Towards a strategic theory of risk premium: Moving beyond CAPM. *AMR*, 24(3): 556-567.
5. Miller, K. Why manage risk?
6. Chatterjee, S. & Lubatkin, M. 1990. Corporate mergers, homemade diversification, and changes in systematic risk. *SMJ*, 11(4): 255-268.

#### **DAY 4: STRATEGIC MANAGEMENT & ORGANIZATIONAL ECOLOGY**

1. Lubatkin, M., Schulze, W., Mainkar, A., & Cotterill, R. 2001. An ecological investigation of horizontal mergers. *SMJ*, 22(4): 335-358.
2. Simsek, Z., Lubatkin, M., & Floyd, S. 2003. Interfirm networks and entrepreneurial behavior: A structural embeddedness perspective. In press in *JOM*.
3. Amberg, T. & Roa, H. 1996. Organizational ecology: Past, present, and future directions. *AMJ*, 39(5): 1265-1286.
4. Lovas, B. & Ghoshal, S. 2000. Strategy as guided evolution. *SMJ*, 21(9): 875-896.
5. Cannella, B. & Lubatkin, M. 1993. Succession as a sociopolitical process: Internal impediments to outsider selection. *AMJ*, 36(4): 763-793.
6. Mainkar, A., Lubatkin, M., & Schulze, W. An ecological investigation of product proliferation and entry barriers. Working paper. Previously rejected by *AMJ* (10/02).

#### **DAY 5: STRATEGIC MANAGEMENT, RESOURCES & CAPABILITIES**

1. Nahapiet, J. & Ghoshal, S. 1998. Social capital, intellectual capital, and the organizational advantage. *AMR*, 23(2): 242-267.
2. Reed, K., Lubatkin, M., & Srinivasan, H. 2002. Exploring the performance effects from bundling intellectual capital. Presented at 2002 AOM meetings. Previously rejected by *AMJ*, 11/02.
3. Eisenhardt, K. & Martin, J. 2000. Dynamic capabilities: What are they? *SMJ*, 21: 1105-1121.
4. Lane, P. & Lubatkin, M. 1998. Relative absorptive capacity and interorganizational learning. *SMJ*, 19(5): 461-478.
5. Florin, J., Lubatkin, M., & Schulze, W. 2003. A social capital model of new venture performance. In press in *AMJ*.
6. Lubatkin, M., Florin, J., & Lane, P. 2001. Cooperate to learn and compete: Knowledge exchange, trust, and transaction value. *Human Relations*, 54(10).

#### **DAY 6: THE HUMAN SIDE OF M&A**

1. Chatterjee, L., Lubatkin, M., Schweiger, D., & Weber, Y. 1992. Cultural differences and shareholder value in related mergers: Linking equity and human capital. *SMJ*, 13(5): 319-334.
2. Lubatkin, M., Schweiger, D., & Weber, Y. 1999. Top management turnover in related M&A's: An additional test of the theory of relative standing. *JOM*, 25(1):
3. Larsson, R. & Lubatkin, M. 2000. Determinants of achieved acculturation: A case survey study. Resubmitted, 12/00, for third review to *Human Relations*.
4. Coff, R. 1999. How buyers cope with uncertainty when acquiring firms in knowledge intensive industries: Caveat emptor. *OS*, 10(2):
5. Ranft, A. & Lord, M. 2002. Acquiring new technologies and capabilities: A grounded model of acquisition implementation. *OS*, 13(4): 420-441.
6. Ahuja, G. & Katila, R. 2003. Technological acquisitions and the innovation performance of acquiring firms: A longitudinal study. In press in *SMJ*.

## **DAY 7: FAMILY FIRMS**

1. Schulze, W., Lubatkin, M., & Dino, R. 2003. Exploring the agency consequences of ownership dispersion among inside directors at family firms. In press in *AMJ*.
2. Schulze, W., Lubatkin, M., Dino, R., & Buchholtz, A. 2001. Agency relationships in family firms: Theory and evidence. *OS*, 12(2): 99-116.
3. Schulze, W., Lubatkin, M., & Dino, R. 2003. The organizational consequences of altruism in family-managed firms: Theory and evidence. In press in *Journal of Business Venturing*.
4. Gomez-Mejia, L., Nunez-Nickel, M., & Gutierrez, I. 2003. The role of family ties in agency contracts. In press, *AMJ*.
5. Lubatkin, M., Ling, Y., & Schulze, W. A behavioral economic understanding of justice problems in dysfunctional family firms. Working paper.
6. Daily, C., McDougall, P., Covin, J., & Dalton, D. 2002. Governance and strategic leadership in entrepreneurial firms. *JOM*, 28(3): 387-412.

## **DAY 8: MANAGING ACROSS BORDERS**

1. Very, P., Lubatkin, M., Calori, R., & Veiga, J. 1997. Relative standing and the performance of recent European mergers. *SMJ*, 18(8): 593-615.
2. Lubatkin, M., Calori, R., Very, P., & Veiga, J. 1998. Managing mergers across borders: A two nation test of nationally bound administrative heritage. *OS*, 9(6): 670-684.
3. Calori, R., Lubatkin, M., Very, P., & Veiga, J. Modeling the origins of nationally-bound administrative heritage: A historical institutional analysis of French and British firms managing acquisitions. *OS*, 8(6): 681-696.
4. Lubatkin, M., Vengroff, R., & Ndaiye, M. 1997. The nature of managerial work in developing countries: A limited test of the universalist hypothesis. *Journal of International Business Strategy*, 28(4): 771-734.
5. Gupta, A., & Govindarajan, V. 2000. Knowledge flows within multinational corporations. *SMJ*, 21(4).
6. Werner, S. 2002. Recent developments in international management research: A review of 20 top management journals. *JOM*, 28(3): 277-306.

## **DAY 9: ENTREPRENEURSHIP ... ZEKI SIMSEK**

1. Lubatkin, M., Simsek, Z., & Veiga, J. Family governance and entrepreneurship. Working paper.
2. Simsek, Z. & Lubatkin, M. Toward a knowledge-based view of entrepreneurial arbitrage and initiatives. Submitted to 2003 AOM meetings.
3. Simsek, Z., Lubatkin, M., & Veiga, J. Testing a structural model of entrepreneurship. Submitted to 2003 AOM meetings.
4. Simsek, Z., Floyd, S., & Lubatkin, M. Entrepreneurial opportunity recognition: When and how interfirm networks matter. Working paper.
5. Zahra, S.A. 1996. Governance, ownership, and corporate entrepreneurship: The moderating impact of industry technological opportunities. *AMJ*, 39: 1713-1735.
6. Simsek, Z., Lubatkin, M., Veiga, J., & Dino, R. 2001. Unraveling the impact of top management team diversity on team process and firm performance: Making the case in small privately-held firms. Presented at 2001 AOM meetings. Submitted 11/02 to *Journal of Business Ventures*.
7. Simsek, Z., Veiga, J., Lubatkin, M., & Dino, R. Toward understanding the antecedents and consequences of TMT behavioral integration. Submitted, 11/02, to *AMJ*.

## DAY 10: CORPORATE GOVERNANCE ... ERIC GEDAJLOVIC

1. Shleifer, A. & Vishny, R. 1997. A survey of corporate governance. *Journal of Finance*, 52: 737-783.
2. La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. 1999. Corporate ownership around the world. *Journal of Finance*, 54: 471-517.
3. Gedajlovic, E. & Shapiro, D. 2002. Ownership and firm profitability in Japan. *AMJ*, 45(3): 565-575.
4. Carney, M., & Gedajlovic, E. 2002. The co-evolution of institutional environments and organizational strategies: The rise of family business groups in the ASEAN region. *OS*, 23(1): 1-29.
5. Khanna, T. & Rivkin, J. 2001. Estimating the performance effects of business groups in emerging markets. *SMJ*, 22: 45-74.
6. Maher, M. & Andersson, T. 1999. *Corporate Governance: Effects on Firm Performance and Economic Growth*. Paris: OECD.
7. Carney, M. & Gedajlovic, E. Corporate governance and organizational capabilities: An inducements-contributions approach. Working paper.

## DAY 11: IMPROVISATION AND BRICOLAGE ... TED BAKER

1. Baker, T. & Miner, A. 2002. Improvising firms: Bricolage, account giving and improvisational competencies in the founding process. *Research Policy*, 1437: 1-22.
2. Brown, S. & Eisenhardt, K. 1997. The art of continuous change: Linking complexity theory and time-paced evolution in relentlessly shifting organizations. *ASQ*, 42(1): 1-34.
3. Miner, A. & Bassoff, P. 2001. Organizational improvisation and learning: A field study. *ASQ*, 46: 304-337.
4. Weick, K. 1993. The collapse of sensemaking in organizations: The Mann Gulch Disaster. *ASQ*, 38: 628-652.
5. Weick, K. 1998. Improvisation as a mindset for organizational analysis. *OS*, 9: 543-555.
6. Baker, T. & Nelson, R. Making that which is old new again: Entrepreneurial bricolage as resourcefulness. Working paper.

*Important questions to ask when reviewing these readings:* How do we get from all of this to qualitative research and inductive theory-building to some deductive theorizing and empirical testing, and how might this research inform the field of strategic management?

## DAYS 12 & 13: THEORY BUILDING PROPOSAL

Each student will select a research topic that builds on the concepts presented in the seminar to address the question, Where do we go from here? As such, the topic should be considered as “theory building,” not “theory testing.” The following guidelines will be followed:

- (1). The topic selected will be distinctly different from the topic of the Q-paper, or the topic of papers written in other seminars.
- (2) The paper will be written following *AMR* guidelines.
- (3) The paper is due on **May 21**, the first day of summer classes. Copies of each paper will be circulated. Each student will then be assigned the role of reviewer for 2-3 papers and hand in reviewer reports by **June 4**.