

MGMT 69000-002 (CRN 54175)

Doctoral Seminar in Strategic Management: Economic Perspectives on Business Strategy
Krannert Graduate School of Management
Purdue University

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Syllabus version 4.0 (released March 9, 2020)

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.

Spring 2020 Semester

Class meets in Rawls Hall room 4009 RAWL on Wednesday afternoons, from March 11 through May 6, at 1:00 pm to 4:30 pm, with the following exceptions:

- No class on March 18 due to Spring Break.
- On April 29, class will meet in Krannert Building room 469 KRAN.
- Individual class meetings may be rescheduled to accommodate guest speakers' available times.

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 some 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 in a shared folder that will appear both on the Purdue OneDrive system and also on Krannert School’s local area network at:

V:\GROUPS\Strategy\Makadok\PhD readings

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 proposal
10%	Presentation about term project

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

Weekly Homework Assignments

At each class meeting (except for our very first class meeting), 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 cover three issues, the first two of which are 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?
3. Write at least TWO questions that you would like to ask the guest speaker at this week's session.

There will be a total of 6 weekly homework assignments (for weeks 2 through 7). Combined, these 6 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 Class Discussion

You will be required to lead the first 60 minutes of discussion for one class session, sometime during weeks 2 through 7. 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 proposal

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

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 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 course, you may need to “read ahead” in the syllabus and do some of the readings at an earlier point than they are assigned.

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 any piece of research 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 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 encouraged to go ahead and perform a preliminary 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 course 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 course.

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 the third class meeting. Even if we have already discussed your topic extensively, please submit a brief summary of your topic via email so that we can keep a “paper trail” of the approval process.
- 2) An outline of the proposed term project, about 2 pages in length, should be submitted via email by the fourth class meeting, 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 by the sixth class meeting. This rough draft will not be graded, but rather will be used to give you feedback to facilitate development of the project. You should also ask your classmates, as well as other students in the doctoral program, to give you feedback on your rough draft.
- 4) The deadline for submitting your completed term project is the seventh class meeting. 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 would ordinarily be 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

Wednesday March 11

Topic: Overview of theory and research in strategic management

Videoconference guest speaker: Felipe Csaszar (University of Michigan) at 3:00 pm

Required readings:

- Rumelt, R.P., Schendel, D., and Teece, D. 1994. Fundamental Issues in Strategy. Cambridge MA: Harvard Business School Press, chapter 1, pages 9-47.
- 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>
- 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>
- 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>
- Christensen, C. and Raynor, M. 2003. Why hard-nosed executives should care about management theory. Harvard Business Review 81(9): 66-74. <http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=10687896>
- Whetten, D.A. 1989. What Constitutes a Theoretical Contribution? Academy of Management Review, 14(4): 490-495. <http://www.jstor.org/stable/258554>
- Makadok, R., Burton, R., and Barney, J. 2018. A practical guide for making theory contributions in strategic management. Strategic Management Journal, 39(6): 1530-1545. <https://doi.org/10.1002/smj.2789>
- Csaszar, F. Forthcoming 2020. Certum Quod Factum: How Formal Models Contribute to the Theoretical and Empirical Robustness of Organization Theory. Journal of Management. <https://doi.org/10.1177/0149206319889129>

Optional extra readings:

- 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>
- Varian, H. 1994. How to Build an Economic Model in Your Spare Time. <http://people.ischool.berkeley.edu/~hal/Papers/how.pdf>

Week 2

Wednesday March 25 & Monday March 30

In order to accommodate our guest speaker's schedule, this week's class will be split into two parts. We will meet for two hours on Wednesday March 25, starting at 1:00 pm, in our regular classroom, to discuss the readings. Then we will meet again for one hour on Monday March 30, starting at 12:00 noon, in Room 4098A RAWL, to have our videoconference with the guest speaker.

Topic: Rivalry and its Restraint

Videoconference guest speaker: Javier Gimeno (INSEAD) at 12:00 noon on Monday March 30 in Rawls Hall Room 4098A RAWL

Required readings:

- 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>
- 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>
- 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>
- 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>

Week 3

Wednesday April 1

>> **In order to accommodate our guest speaker's schedule, this week's class will start at 12:00 noon.**

>> **Today is the deadline** for the topic of your term project to be approved by the instructor.

Topic: Competitive Advantage, Part 1

Videoconference guest speaker: Jay Barney (University of Utah) at 12:00 noon

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>
- 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>
- 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>
- Knott, A.M. 2003. The organizational routines factor market paradox. *Strategic Management Journal*, 24(10): 929-943. <http://www.jstor.org/stable/20060589>
- McEvily, S. and Chakravarthy, B. 2002. The persistence of knowledge-based advantage: an empirical test for product performance and technological knowledge. *Strategic Management Journal*, 23(4): 285-306. <http://www.jstor.org/stable/20060499>
- 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>

Optional extra readings:

- 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>
- 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>
- 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>
- 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>

Week 4

Wednesday April 8

>> **Today is the deadline** for emailing an outline of your term project to the instructor.

Topic: Competitive Advantage, Part 2

Guest speaker: Michael Ryall (University of Toronto) at 1:00 pm

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>
- Ryall, M.D. and Sorenson, O. 2007. Brokers and Competitive Advantage. *Management Science* 53(4): 566–583. <http://www.jstor.org/stable/20110723>
- Postrel, S. 2018. Transaction surplus superiority in canonical market segments: Using the profit map to guide positioning and investment choices across price-rivalry regimes. *Strategic Management Journal* 39(6): 1573-1602. <https://doi.org/10.1002/smj.2769>
- 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. (2014). Bargaining Ability and Competitive Advantage: Empirical Evidence from Medical Devices. *Management Science*, 60(12): 3011-3025.
<http://pubsonline.informs.org/doi/abs/10.1287/mnsc.2014.2006>
- Gans, J., & Ryall, M. D. 2017. Value capture theory: A strategic management review. *Strategic Management Journal*, 38(1): 17-41.
<http://onlinelibrary.wiley.com/wol1/doi/10.1002/smj.2592/full>

Optional extra readings:

- Brandenburger, A. and Stuart, H.W. 2007. Biform Games. *Management Science* 53(4): 537–549.
<http://www.jstor.org/stable/20110721>
- 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>
- MacDonald, G. and Ryall, M. 2018. Do new entrants sustain, destroy, or create guaranteed profitability? *Strategic Management Journal* 39(6): 1630-1649.
<https://doi.org/10.1002/smj.2770>
- Lieberman, M. B., Garcia-Castro, R., & Balasubramanian, N. 2017. Measuring value creation and appropriation in firms: The VCA model. *Strategic Management Journal*, 38(6): 1193-1211.
<http://onlinelibrary.wiley.com/wol1/doi/10.1002/smj.2565/abstract>
- Lieberman, M. B., Balasubramanian, N., & Garcia-Castro, R. 2018. Toward a dynamic notion of value creation and appropriation in firms: The concept and measurement of economic gain. *Strategic Management Journal* 39(6): 1546-1572. <https://doi.org/10.1002/smj.2708>

Week 5

Wednesday April 15

Topic: Information Asymmetry

Videoconference guest speaker: Brian Silverman (University of Toronto) at 2:00 pm

Required readings:

- Gibbons, R. 2005. Four formal(izable) theories of the firm? *Journal of Economic Behavior and Organization*, 58: 200-245.
<http://www.sciencedirect.com/science/article/pii/S0167268105001502>
- 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>
- 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>
- 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>
- Obloj, T. and Zemsky, P. 2015. Value creation and value capture under moral hazard: Exploring the micro-foundations of buyer-supplier relationships. *Strategic Management Journal*, 36(8): 1146-1163. <http://onlinelibrary.wiley.com/doi/10.1002/smj.2271/abstract>
- Mahalingam, A. and Makadok, R. 2020. Value Creation and Capture in Platform Business Models: An Information-Theoretic Perspective. Unpublished working paper.

Optional extra readings:

- 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>

Week 6

Wednesday April 22

>> **Today is the deadline** for emailing a rough draft of your term project to the instructor.

Topic: Commitment Timing

Videoconference guest speaker: Marvin Lieberman (UCLA) at 1:00 pm

Required readings:

- Lieberman, M.B. and Montgomery, D.B. 1988. First-mover advantages. *Strategic Management Journal*, 9: 41-58. <http://www.jstor.org/stable/2486211>
- 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>
- Lieberman, M.B. and Montgomery, D.B. 2013. Conundra and progress: Research on entry order and performance. *Long Range Planning*, 46: 312-324. <http://www.sciencedirect.com/science/article/pii/S0024630113000344>
- 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>
- 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>
- 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>

Optional extra readings:

- 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>
- 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>
- Cirik, K. and Makadok, R. 2020. First-Mover Advantages Versus First-Mover Benefits: What's the Difference and Why Does It Matter? Unpublished working paper.
- Cirik, K. and Makadok, R. 2020. Online Reviews, Market Rivalry, and Pioneer Advantage: Evidence from a Natural Experiment with Randomized Entry Order in Marijuana Retailing. Unpublished working paper.

Week 7

Wednesday April 29

Today's class meets in Krannert Building Room 469 KRAN instead of our regular classroom.

>> Today is the deadline for emailing your completed term project to instructor and classmates.

Topic: Joint Effects of Multiple Causal Mechanisms

Videoconference guest speaker: Russell Coff (University of Wisconsin) at 2:30 pm

Required readings:

- 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#>
- 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>
- 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>
- 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>
- Schmidt, J., Makadok, R. and Keil, T. 2016. Customer-Specific Synergies and Market Convergence. *Strategic Management Journal* 37(9): 870-895. <https://doi.org/10.1002/smj.2372>
- Bel, R. 2018. A property rights theory of competitive advantage. *Strategic Management Journal* 39(6): 1678-1703. <https://doi.org/10.1002/smj.2707>

Optional extra readings:

- 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>
- 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>

Week 8

Wednesday May 6

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 Monday April 25, 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.