

CORPORATE STRATEGY

COURSE SYLLABUS A.Y. 2020-2021

Giada Di Stefano

Contact: giada.distefano@unibocconi.it

Office: 4-B2-02

COURSE PRESENTATION AND OBJECTIVES

This is a doctoral-level seminar designed to expose PhD students to foundational and recent research in strategic management research with a particular focus on the sub-field of corporate strategy.

The field of strategic management is fundamentally concerned with understanding why some firms perform better than others. In particular, corporate strategy seeks to address the question: *how do managers set and oversee the scope of their firms?*

Following Feldman (2020), we will approach this topic by examining three sets of managerial actions:

- (1) *intra-organizational actions* aimed at coordinating resources within firm boundaries,
- (2) *inter-organizational actions* aimed at coordinating relationships with other companies across the boundaries of their firms; and
- (3) *extra-organizational actions* aimed at deciding which businesses belong within the boundaries of their firms and which ones do not.

In dealing with these topics, we will draw extensively from related disciplinary research in the fields of economics, sociology, and psychology. We will touch upon a range of different contributions, from the theoretical to the empirical, and from the classic to the current. In terms of methods, we will read papers that employ a variety of methods including qualitative analysis, surveys, experiments, and the analysis of secondary data.

Finally, we will also take the chance to discuss about the review process of a paper of mine dealing with one of the topics covered during the course. This should help you begin to familiarize with the process of getting published.

ASSESSMENT

Students will be evaluated based on three criteria:

1. Class Participation and attendance: 40% of final grade

Because of the very nature of the seminar, you are expected to attend each class, and actively participate. Please note that the reading list is composed of a number of mandatory readings plus a number of additional readings. The latter are not going to be discussed in classes and are not mandatory to read.

During each class, I will randomly select students to introduce and discuss the assigned materials, so be prepared to summarize and critically evaluate each paper.

The structure of the discussion will usually take the following form: (1) main question and why it matters; (2) method; (3) result; (4) implications; (5) discussion (i.e., thoughtful questions and ideas you pose to the class regarding key assumptions, problems, extensions, connections, etc.).

2. Puzzle & Gap Summaries: 30% of final grade

For three sessions of the course (at your choice), you should prepare a two-page document with your critical thoughts about the readings assigned to that session. Do not write a summary of the readings (doing so will be penalized), but provide your own thoughts on what you find particularly remarkable or problematic about the readings, and what novel connections or extensions the readings spark on you.

These summaries can take many alternative forms. You may choose to contrast the views and assumptions of different authors. You may opt for discussing research gaps and hence potential contribution opportunities. You also can try to link the material to salient business phenomena.

Please email these summaries to me by 9am of the day of the class.

3. Reviewing Exercise: 30% of final grade

During the last week of the course, you will have the chance to take a closer look at the publication process by examining the revision process of one paper. In particular, you will be asked to read the original submission, and write a referee report of this paper (as if you were reviewing for a journal). Follow the AMJ guidelines available at: <https://aom.org/research/publishing-with-aom/reviewer-resources> (go to “Reviewer resources by journal” and look under “Academy of Management Journal”).

Please email the 2-page report to me by 9am of the day of the class (10/05). Once you have completed your own review, I will share with you a set of the actual referee reports. You will be asked to read them prior to class and draft a brief response letter, highlighting the three main critical issues emerging from reading the reports, and possible strategies to address them.

Please email the 1-page report to me by 9am of the day of the class (10/12).

SESSION 1: INTRA-ORGANIZATIONAL ACTIONS

MONDAY, SEPTEMBER 7 – 3.00PM-6.00PM, ROOM 101 (VIA SARFATTI)

1. Feldman E. 2020. Corporate strategy: Past, present, and future. *Strategic Management Review*, forthcoming.
2. Capron L, Dussauge P, Mitchell W. 1998. Resource redeployment following horizontal acquisitions in Europe and North America, 1988–1992. *Strategic Management Journal*, 19: 631–661.
3. Villalonga B, McGahan A. 2005. The choice among acquisitions, alliances and divestitures. *Strategic Management Journal*, 26: 1183–1208.
4. Kaul A. 2012. Technology and corporate scope: Firm and rival innovation as antecedents of corporate transactions. *Strategic Management Journal*, 33: 347–367.
5. Wu B. 2013. Opportunity costs, industry dynamics, and corporate diversification: Evidence from the cardiovascular medical device industry, 1976–2004. *Strategic Management Journal*, 34: 1265–1287.
6. Lieberman MB, Lee GK, Folta TB. 2017. Entry, exit, and the potential for resource redeployment. *Strategic Management Journal*, 38: 526–544.

ADDITIONAL READINGS

1. Ramanujam V, Varadarajan P. 1989. Research on corporate diversification: A synthesis. *Strategic Management Journal*, 10: 523–551.
2. Lubatkin MH, Chatterjee S. 1994. Extending modern portfolio theory into the domain of corporate diversification: Does it apply? *Academy of Management Journal*, 37: 109–136.
3. Anand J, Singh H. 1997. Asset redeployment, acquisitions and corporate strategy in declining industries. *Strategic Management Journal*, 18: 99–118.
4. Harzing AW. 2002. Acquisitions versus greenfield investments: International strategy and management of entry modes. *Strategic Management Journal*, 23: 211–228.
5. Levinthal DA, Wu B. 2010. Opportunity costs and non-scale free capabilities: profit maximization, corporate scope, and profit margins. *Strategic Management Journal*, 31: 780-801.
6. Belderbos R, Tong TW, Wu S. 2014. Multinationality and downside risk: The roles of option portfolio and organization. *Strategic Management Journal*, 35: 88-106.

SESSION 2: FOCUS ON DECISION-MAKING

MONDAY, SEPTEMBER 14 – 9.00AM-12.00PM, ROOM 101 (VIA SARFATTI)

1. Dollinger MJ, Golden PA, Saxton T. 1997. The effect of reputation on the decision to joint venture. *Strategic Management Journal*, 18:127–140.
2. Greve HR. 2008. A behavioral theory of firm growth: sequential attention to size and performance goals. *Academy of Management Journal*, 51: 476–494.
3. Arrfelt M, Wiseman RM, Hult GTM. 2013. Looking backward instead of forward: Aspiration-driven influences on the efficiency of the capital allocation process. *Academy of Management Journal*, 56: 1081-1103.
4. Adner R, Zemsky P. 2016. Diversification and performance: Linking relatedness, market structure, and the decision to diversify. *Strategy Science*, 1:32–55.
5. Gartenberg C, Pierce L. 2017. Subprime governance: Agency costs in vertically integrated banks and the 2008 mortgage crisis. *Strategic Management Journal*, 38: 300–321.
6. Mawdsley JK, Somaya D. 2018. Demand-side strategy, relational advantage, and partner-driven corporate scope: The case for client-led diversification. *Strategic Management Journal*, 39: 1834–1859.

ADDITIONAL READINGS

1. Lane PJ, Cannella Jr AA, Lubatkin MH. 1998. Agency problems as antecedents to unrelated mergers and diversification: Amihud and Lev reconsidered. *Strategic Management Journal*, 19: 555–578.
2. Amihud Y, Lev B. 1999. Does corporate ownership structure affect its strategy towards diversification? *Strategic Management Journal*, 20: 1063–1069.
3. Wang L, Zajac E. 2007. Alliance or acquisition? A dyadic perspective on interfirm resource combinations. *Strategic Management Journal*, 28: 1291–1317.
4. Chang S, Kogut B, Yang J. 2016. Global diversification discount and its discontents: A bit of self-selection makes a world of difference. *Strategic Management Journal*, 37: 2254–2274.
5. Feldman E. 2016. Managerial compensation and corporate spinoffs. *Strategic Management Journal*, 37: 2011–2030.
6. Chatain O, Meyer-Doyle P. 2017. Alleviating managerial dilemmas in human-capital intensive firms through incentives: Evidence from M&A legal advisors. *Strategic Management Journal*, 38: 232–254.

SESSION 3: INTER-ORGANIZATIONAL ACTIONS

MONDAY, SEPTEMBER 21 – 9.00AM-12.00PM, ROOM 101 (VIA SARFATTI)

1. Dyer JH, Singh H. 1998. The relational view: Cooperative strategy and sources of interorganizational competitive advantage. *Academy of Management Review*, 23: 660–679.
2. Lavie D. 2007. Alliance portfolios and firm performance: A study of value creation and appropriation in the U.S. software industry. *Strategic Management Journal*, 28: 1187–1212.
3. Arend RJ. 2009. Reputation for Cooperation: Contingent Benefits in Alliance Activity. *Strategic Management Journal*, 30: 371–385.
4. Oxley JE, Sampson R, Silverman BS. 2009. Arms race or détente? How interfirm alliance announcements change the stock market valuation of rivals. *Management Science*, 55: 1321–1337.
5. Agarwal R, Croson R, Mahoney JT. 2010. The role of incentives and communication in strategic alliances: An experimental investigation. *Strategic Management Journal*, 31: 413–437
6. Mindruta D, Moeen M, Agarwal R. 2016. A two-sided matching approach for partner selection and assessing complementarities in partners' attributes in inter-firm alliances. *Strategic Management Journal*, 37: 206–231.

ADDITIONAL READINGS

1. Doz Y. 1996. The evolution of cooperation in strategic alliances: Initial conditions or learning process. *Strategic Management Journal*, 17: 55–83.
2. Mowery DC, Oxley JE, Silverman BS. 1996. Strategic alliances and interfirm knowledge transfer. *Strategic Management Journal*, 17: 77–91.
3. Khanna T, Gulati R, Nohria N. 1998. The dynamics of learning alliances: Competition, cooperation, and relative scope. *Strategic Management Journal*, 19: 193–210.
4. Silverman BS, Baum J. 2002. Alliance-based competitive dynamics. *Academy of Management Journal*, 45: 791–806.
5. Amaldoss W, Staelin R. 2010. Cross-function and same-function alliances: How does alliance structure affect the behavior of partnering firms? *Management Science*, 56: 302–317.
6. Reuer J, Tong TW, Tyler BB, Arino A. 2013. Executive preferences for governance modes and exchange partners: An information economics perspective. *Strategic Management Journal*, 34: 1104–1122.
7. Panico, C. 2017. Strategic interaction in alliances. *Strategic Management Journal*, 38: 1646–1667.

SESSION 4: FOCUS ON LEARNING

MONDAY, SEPTEMBER 28 – 9.00AM-12.00PM, ROOM 101 (VIA SARFATTI)

1. Halebian J, Finkelstein S. 1999. The influence of organization acquisition experience on acquisition performance: A behavioral learning theory perspective. *Administrative Science Quarterly*, 44: 29–56.
2. Kale P, Singh H. 2007. Building firm capabilities through learning: The role of the alliance learning process in alliance capability and firm-level alliance success. *Strategic Management Journal*, 28: 981–1000.
3. Zollo M, Reuer J. 2010. Experience spillovers across corporate development activities. *Organization Science*, 21: 1195–1212.
4. Heimeriks KH, Schijven M, Gates S. 2012. Manifestations of higher-order routines: The underlying mechanisms of deliberate learning in the context of post-acquisition integration, *Academy of Management Journal*, 55: 703–726.
5. Agarwal R, Anand J, Bercovitz J, Croson R. 2012. Spillovers across organizational architectures: The role of prior resource allocation and communication in post-acquisition coordination outcomes. *Strategic Management Journal*, 33: 710–733.
6. Howard M, Steensma HK, Lyles M, Dhanaraj C. 2016. Learning to collaborate through collaboration: How allying with expert firms influences collaborative innovation within novice firms. *Strategic Management Journal*, 37: 2092–2103.

**Reviewing exercise: paper distributed

ADDITIONAL READINGS

1. Barkema HG, Shenkar O, Vermeulen F, Bell JHJ. 1997. Working abroad, working with others: How firms learn to operate international joint ventures. *Academy of Management Journal*, 40: 426–442.
2. Simonin BL. 1997. The importance of collaborative know-how: An empirical test of the learning organization. *Academy of Management Journal*, 40: 1150–1174.
3. Hayward M. 2002. When do firms learn from their acquisition experience? Evidence from 1990-1995. *Strategic Management Journal*, 23: 21–40.
4. Zollo M, Singh H. 2004. Deliberate learning in corporate acquisitions: post-acquisition strategies and integration capability in US bank mergers. *Strategic Management Journal*, 25: 1233–1256.
5. Barkema HG, Schijven M. 2008. How do firms learn to make acquisitions? A review of past research and an agenda for the future. *Journal of Management*, 34: 594–634.
6. Zollo M. 2009. Superstitious learning with rare strategic decisions: Theory and evidence from corporate acquisitions. *Organization Science*, 20: 894–908.

SESSION 5: EXTRA-ORGANIZATIONAL ACTIONS

MONDAY, OCTOBER 5 – 9.00AM-12.00PM, ROOM 101 (VIA SARFATTI)

1. Lazzarini SG, Miller GJ, Zenger TR. 2008. Dealing with the paradox of embeddedness: The role of contracts and trust in facilitating movement out of committed relationships. *Organization Science*, 19: 709–728.
2. Berry H. 2010. Why do firms divest? *Organization Science*, 21: 380–396.
3. Semadeni M, Cannella Jr AA. 2011. Examining the performance effects of post spin-off links to parent firms: should the apron strings be cut? *Strategic Management Journal*, 32: 1083–1098.
4. Vaara E, Tienari J. 2011. On the narrative construction of multinational corporations: An antenarrative analysis of legitimation and resistance in a cross-border merger. *Organization Science*, 22: 370–390.
5. Hernandez E, Menon A. 2018. Acquisitions, node collapse, and network revolution. *Management Science*, 64: 1652–1671.

****Reviewing exercise: 1st part due**

ADDITIONAL READINGS

1. Chatterjee S. 1986. Types of synergy and economic value: The impact of acquisitions on merging and rival firms. *Strategic Management Journal*, 7: 119–139.
2. Markides CC. 1995. Diversification, restructuring and economic performance. *Strategic Management Journal*, 16: 101–118.
3. Seward JK, Walsh JP. 1996. The governance and control of voluntary corporate spinoffs. *Strategic Management Journal*, 17: 25–39.
4. Capron L. 1999. The long-term performance of horizontal acquisition. *Strategic Management Journal*, 20: 987–1018.
5. Chakrabarti A, Mitchell W. 2013. The persistent effect of geographic distance in acquisition target selection. *Organization Science*, 24: 1805–1826.
6. Feldman ER. 2014. Legacy Divestitures: Motives and Implications. *Organization Science*, 25: 815–832.
7. Laamanen T, Brauer M, Junna O. 2014. Performance of acquirers of divested assets: Evidence from the US. software industry. *Strategic Management Journal*, 35: 914–925.

SESSION 6: FOCUS ON IMPLEMENTATION

MONDAY, OCTOBER 12 – 9.00AM-12.00PM, ROOM 101 (VIA SARFATTI)

1. Schweiger D, Denisi AS. 1991. Communication with employees following a merger: A longitudinal field experiment. *Academy of Management Journal*, 34: 110–135.
2. Weber RA, Camerer CF. 2003. Cultural Conflict and Merger Failure: An Experimental Approach. *Management Science*, 49: 400–415.
3. Montmarquette C, Rulliere J-L, Villeval MC, Zeiliger R. 2004. Redesigning teams and incentives in a merger. An experiment with managers and students. *Management Science*, 50: 1379–1389.
4. Monin P, Noorderhaven N, Vaara E, Kroon D. 2013. Giving sense to and making sense of justice in postmerger integration. *Academy of Management Journal*, 56: 256–284.
5. Wiedner R, Mantere S. 2019. Cutting the cord: Mutual respect, organizational autonomy, and independence in organizational separation processes. *Administrative Science Quarterly*, 64: 659–693.

****Reviewing exercise: 2nd part due**

ADDITIONAL READINGS

1. Krug JA, Harvey Hegarty W. 2001. Predicting who stays and leaves after an acquisition: a study of top managers in multinational firms. *Strategic Management Journal*, 22: 185–196.
2. Ellis KM, Reus T, Lamont B. 2009. The effects of procedural and informational justice in the integration of related acquisitions. *Strategic Management Journal*, 161: 137–161.
3. Puranam P, Singh H, Chaudhuri S. 2009. Integrating acquired capabilities: When structural integration is (un)necessary. *Organization Science*, 20: 313–328.
4. Vaara E, Monin P. 2010. A recursive perspective on discursive legitimation and organizational action in mergers and acquisitions. *Organization Science*, 21: 3–22.
5. Mantere S, Schildt HA, Sillince JAA. 2012. Reversal of strategic change. *Academy of Management Journal*, 55: 172–196.
6. Trichterborn A, Zu Knyphausen-Aufseß D, Schweizer L. 2016. How to improve acquisition performance: The role of a dedicated M&A function, M&A learning process, and M&A capability. *Strategic Management Journal*, 37: 763–773.