SCHULICH SCHOOL OF BUSINESS

**YORK UNIVERSITY**

**SB PLCY 7010.030A (7020)**

**STRATEGIC MANAGEMENT SEMINAR I**

The Behavioral Foundations of Strategic Management [[1]](#footnote-1)

**Winter Term, 2022**

Friday 8:00-11:00 AM Room: NA

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**I. Course Objectives and Description**

 This course introduces doctoral students to research in strategic management with a particular emphasis on the behavioral and administrative foundations of the field i.e., 'Behavioral Strategy'. The field of strategic management is concerned with understanding the sources of firms’ success and failure as a prerequisite for improving their performance. Strategy is thus viewed as an important determinant of success. The field draws from a variety of intellectual disciplines such as economics, organization theory, military studies, and the natural sciences. It integrates and complements other business specialties such as operations, marketing, finance, information technology, and human resources. The field is also distinct from other areas of study in its focus on competitive advantage, the definition of firm’s scope of business and the adoption of a top management integrative perspective.

 Because strategy is concerned with matching organizational resources with environmental challenges, strategy research has naturally drawn on economics and organization theory as its two main disciplines. Economists were inclined to apply their ideas about markets and efficiency, whereas organizational theorists were inclined to apply their observations about the behavior of individuals, groups, and organizations. Over the years, these artificial boundaries became more blurred as economists became interested in understanding organizations and organizational theorists in understanding markets and competition. Furthermore, the influence of natural sciences on both economics and organization theory has increased.

 From its very inception, the field of strategy has built on many concepts, ideas and theories from the administrative and behavioral sciences (Jemison, 1981). These ideas have been mainly applied in the three areas of strategic design, strategy implementation and change, and strategic decision-making. As the field of strategy evolved and gained a more distinct identity, behavioral ideas have penetrated other intellectual territories and start featuring in areas such as networks, firm diversity, shaping strategies, industry cultures and learning and interpretation.

Drawing on this evolution, in this course we will learn how key ideas about organizations and organizing have contributed to the understanding of major strategy questions and phenomena as well as how traditional and new ideas might continue to play a role in the field’s future evolution and in the contemporary phenomena it studies. We will also attempt to gain a better understanding of the distinct nature of behavioral oriented research in strategy as well as the ways it can be integrated with economic concepts and ideas.

My ultimate objective in this course is to help develop future strategy researchers - understand and appreciate behavioral ideas and use them to conduct independent research in the future. The course will also expose the students to the nature of academic research and to the social context of the field of strategy.

 **II. Course outline**

Below is a tentative outline of our course meetings:

|  |  |  |  |
| --- | --- | --- | --- |
| **Session** | **Topic**  | **Date**  | **Session Leadership**  |
| 1 | The strategic management field: domain, evolution, and central questions and debates | January 14 | Instructor |
| 2 | On doing research (in strategy) | January 21 | Instructor  |
| 3 | Classics/OT | January 28 | Instructor |
| 4 | Other behavioral and organizational foundations | February 4 |  Instructor |
| 5 | Strategy and strategy formation | February 11 | With designate student (s)\* |
| 6 | Strategic decision making/TMT | February 18 | With designate student (s) |
| 7 | Strategic change, persistence and renewal  | March 4 | With designate student (s) |
| 8 | Strategy/structure/configurations and contradictions | March 11 | With designate student (s) |
| 9 | Learning/interpretation/cognition | March 18 | With designate student (s) |
| 10 | Conceptions of markets and competitive processes | March 25 | Instructor  |
| 11 | Firm heterogeneity, shaping and sustained competitive advantage | April 1 | With designate student (s) |
| 12 | Emerging topics | April 8 | Instructor |

\* Potential special guest presentation around here

**III. Course Requirements**

1. **Participation and class discussion:**

 I view class discussion and interactions as an important learning mechanism. Students who will not be able to attend class for some important reason must notify me in advance so to allow any needed rescheduling. I expect the students to come well prepared to each class and to contribute to class discussion. Good participation is indicated by preparing the suggested class discussion questions as well as raising new questions based on the readings. Overall, I expect students to raise original ideas, make constructive comments, and have a positive attitude towards learning.

1. **Ongoing readings**

 Iprovide belowthe reading lists and discussion questions for each of the sessions. Students are required to master the readings and prepare points for discussion in the class. I organized the readings in each session around particular themes. I encourage the students to identify points of convergence and divergence in each session’s readings. As the course progresses, I expect the students to draw connections across themes and to gradually form a rich and refined perspective on the subject matter of the course with an eye towards its application.

**3. Behavioral foundations summary**

The students will prepare a ten-page summary of the first four sessions due at the beginning of session 5 (expected date February 11). The goal of this assignment is to build a strong base in the behavioral foundations covered in the first four weeks, particularly in sessions 3 and 4, before proceeding to their applications to strategy. The assignment has some overlap with the discussion questions for session 3 and 4 and will extend them based on more reflection on the readings. The particular questions/tasks are:

1. Identify 2-3 key behavioral concepts, ideas, or theories from the readings for sessions 1-4.
2. Examine one or more central questions of strategy that can be addressed using the above.
3. Summarize the key differences between the economic and behavioral foundations.
4. Summarize key differences in emphasis between the psychology/decision making/ behavioral tradition and the sociological/structural tradition.

**4. Written critiques and presentations of specific readings**

Starting aroundsession 5 the students will prepare and present up to two critiques of course materials. Potential papers are highlighted in the syllabus ***in blue*.** In each of these sessions, and in addition to the regular discussion, a designated student will be responsible for reading one or two assigned articles, summarizing, critiquing, and evaluating the readings in writing, and presenting this work in the class. I expect the written assignment to be not more than five pages long (double spaced 12 fonts). A typical outline will include a summary of the article(s), including the empirical part when appropriate, a critique and evaluation of the article(s) main strengths and weaknesses, and a discussion of new directions for future research. In addition, I highly recommend discussing how the article fits with the set of readings assigned for that topic and/or with other relevant course readings. It is important not to dwell on the summary of the article(s) beyond what is necessary for the rest of the assignment. The power-point presentation will summarize the written assignment in up to 20 minutes and will lead to the general discussion in class. The grades for these assignments will be based on both the written assignment and class presentation. I will assign the materials for each student as the course progresses[[2]](#footnote-2).

**5. Term paper**

 The paper’s goal is to build on the course’s material to develop an original and publishable strategy paper. The topics of the paper may vary but will focus on the themes and topics discussed in the course. The paper will usually take the form of a conceptual or theoretical stand-alone piece. An alternative is a front-end of a larger empirical project. In this case, some directions as to how the paper may be empirically tested should be examined in the discussion section. The length requirement is approximately 25-30 double spaced pages. The students are required to submit a one-page paper proposal at the beginning of session 4. Students are encouraged to work closely with the instructor on developing their ideas, to identify relevant references and to address any other issues that arise. The due date for the paper is April 15, 2022.

**IV. Evaluation:**

|  |  |
| --- | --- |
| Class Participation and preparation  | 10% |
| Paper critiques and presentations  | 30% |
| Behavioral foundations essay | 10% |
| Final paper  | 50% |

**V. Course materials (key additions and revisions are marked in rouge *or blue*):**

**Books (I recommend using the most recent editions, as available):**

A. Behavioral Foundations of Strategy

**Required:**

Bromiley, P. 2005. ***The Behavioral Foundations of Strategic Management****.*

Blackwell Publishing. Malden, MA.

Baum, J. A. C., and F. Dobbin (Eds.). 2000. ***Economics Meets Sociology in Strategic Management. Advances in Strategic Management****.* JAI Press Inc. Stamford, CT.

**Recommended**

Jackson, W. A. 2019. Markets: Perspectives from economic and social theory. Routledge: London.

B. Organization Theory- Foundations

(If you do not have these books, you may consider obtaining them):

Cyert, R. M. and J. g. March. 1992. ***A Behavioral Theory of the Firm***. (Second edition)

Englewood Cliffs, NJ: Prentice-Hall.

Nelson and Winter, 1982. ***An evolutionary theory of economic change***. Cambridge, MA: Harvard

University Press.

C. Strategic Management: Foundations and applications of behavioral ideas

(I strongly advise purchasing these books):

Allison, G. T. and Zelikow, P. 1999. ***The essence of decision: Explaining the Cuban Missile Crisis*.**

2nd edition. Addison Wesley – Longman, New York.

Chandler, A. D., Jr. 1962. ***Strategy and Structure: Chapters in the History of the Industrial***

***Enterprise***. Cambridge, MA: MIT Press.

Mintzberg, H. Ahlstrand, B. and J. Lampel; 2009 (2nd edition) ***Strategy Safari: A guided tour***

***through the wilds of strategic management.*** The Free Press, New York.

Rumelt, R. 2011. **Good strategy Bad strategy: the difference and why it matters**. Deckle edge.

**Recommended**

Pisano, G. P. (2019). *Creative construction: The DNA of sustained innovation*. Public Affairs.

Iansiti, M. and Lakhani, K. (2020) Competing in the age of AI: Strategy and leadership when

algorithms and networks run the world: Harvard Business Review Press

D. Methods (I recommend buying the first).

Van de Ven, A. H. 2007. ***Engaged scholarship: A guide for organizational and social research***.

 Oxford University. Oxford, U.K.

Abbott, A. 2004. ***Methods of Discovery: Heuristics for the social sciences***. W. W.

 Norton & Company. New York, NY.

**Strategic Management Journal:** I would recommend looking at all issues published in the recent 12 months. In addition, SMJ has several virtual issues as well as special issues. Please check

<https://www.strategicmanagement.net/smj/overview/special-issues/past-special-issues>

As well, there are two relatively new journals in the field: *Strategy Science* and *Strategic Management Review.*

**VI. Detailed Schedule and readings:**

**Introduction and course organization**

(First meeting - first half of the class)

**Topic 1: The strategic management field:**

**Domain, evolution and central questions and debates**

**(**Second half of the class and first half of the second meeting)

**Readings for the first meeting:**

Required:

Rumelt R. P., Schendel, D. E. and D. J. Teece, 1995. Fundamental issues in strategy. Chapter 1 (pp. 9-47) in “***Fundamental issues in strategy: A research agenda****”*, Rumelt R. P., Schendel, D. E. and D. J. Teece (Eds.). Harvard Business School Press, Boston, MA.

Rumelt R. P., Schendel, D. E. and D. J. Teece, 1995. Afterwards. (pp. 527-555) in ***“Fundamental issues in strategy: A research agenda”*** Rumelt R. P., Schendel, D. E. and D. J. Teece (Eds.). Harvard Business School Press, Boston, MA.

Optional:

Durand, R., Grant R, and tammy L. Madsen, 2017: The expanding domain of strategic management research and the quest for integration. ***Strategic Management Journal***, 38:4-16.

Farjoun M, 2002. Towards an organic perspective on strategy. ***Strategic Management Journal***, 23: 561-594.

Lieberman, M. (2020). Is competitive advantage intellectually sustainable?

**Discussion questions for the first meeting:**

1. What were the main developments in the evolution of the strategic management field?
2. What are the central questions for the field?
3. What are the key debates and views on these questions?
4. What seems to be the state of the field now? Where is it heading?

**Topic 2: On doing research (in strategy)**

(Second and third meetings)

Required readings:

Daft R. L. 1983. Learning the craft of organizational research. ***Academy of Management Review*.** 8 (4): 539-546.

Tihanyi, L. (2020). From “that’s interesting” to “that’s important”. *Academy of Management Journal*, Vol. 63, No. 2, 329–331.

Weick, K. E. 1989. Theory construction as disciplined imagination. ***Academy of Management Review*,** 14(4):516-531.

Alvesson, M. and D. Karreman, 2007. Constructing mystery: Empirical matters in theory

development. ***Academy of Management Review***, 32(4): 1265-1281.

Langley, A. 2007. Process thinking in strategic organization. ***Strategic Organization***: 5(271-282).

Timmermans, S., & Tavory, I. (2012). Theory construction in qualitative research: From grounded theory to abductive analysis. Sociological theory, 30(3), 167-186.

Optional:

Farjoun, M. 2021. “The Becoming of Change in 3D: Dialectics, Darwin and Dewey” in Poole, M. S. and Van de Ven, A.H. Oxford Handbook of Organization Change and Innovation, 2nd Edition, by Oxford University Press.

Van de Ven, A. H. 2007. Chapters, 3-7. ***Engaged scholarship: A guide for organizational and social research***. Oxford University. Oxford, U.K.

Sætre, A. S., & Van de Ven, A. H. (2021). Generating Theory by Abduction. *Academy of Management Review*

Abbott, A. 2004. ***Methods of Discovery: Heuristics for the social sciences***. W. W. Norton & Company. New York, NY.

Bromiley, P. 2005. Chapters 1 and 5. in ***The Behavioral Foundations of Strategic Management.***Blackwell Publishing. Malden, MA. (Useful to read as a follow up for the class discussion).

**Discussion questions:**

1. What is your view on doing research? What are your preferred approaches?

2. To what extent do the readings support, extend, or challenge your preconceived notions about doing research?

3. What are the challenges of doing strategy research? Please relate to our introductory discussion (first meeting) and associated readings.

4. What are the challenges of doing process research (in strategy and in general)?

5. Where do (good) new ideas come from?

**Topic 3: Classics/OT**

(Mostly: Third meeting):

Required readings:

Simon H. A. 1986. Rationality in Psychology and Economics. ***The Journal of Business.*** Vol. 59 (4), part 2. S209-S224.

Hannan, M. T. and J. Freeman, 1984. Structural inertia and organizational change. ***American Sociological Review***, 49 (2), 149-164.

Selznick, P. 1996. Institutionalism “old” and “new”, ***Administrative Science Quarterly***, 41(2), pp. 270-277.

March JG. 1994. The evolution of evolution. In “***Evolutionary Dynamics of Organizations***, Baum JAC, Singh JV (eds.) Oxford University Press: New York; 39-49.

Chapters 1, 2, 3 in Aldrich H. and M Ruef 2006. ***Organizations Evolving****.* Sage Publications Ltd. London UK.

Optional:

March JG. And Olsen, JP. 1984. The new institutionalism: Organizational factors in political science. ***The American Political Science Review,*** Vol. 78 (3): 734-749.

Alvesson, M, and Spicer A, 2019: Neo-Institutional Theory and Organization Studies: A Mid-Life Crisis? Organization Studies, 40(2): 199-218.

**Topic 4: Other behavioral and organizational foundations**

(Mostly: Fourth meeting)

Required readings:

Chapters 2. 3. and 4. in Bromiley, P. 2005. ***The Behavioral Foundations of Strategic Management.***Blackwell Publishing. Malden, MA.

Chapter 1 and Epilogue in Baum, J. A. C. and F. Dobbin (Eds.). 2000. ***Economics Meets Sociology in Strategic Management. Advances in strategic management****.* JAI Press Inc. Stamford, CT.

Nelson, R. R. and Winter, S. 1982.Chapters 1-5. ***An evolutionary theory of economic***

***change***. Cambridge, MA: Harvard University Press.

Baum JAC and H. Rao, 2021. Evolutionary dynamics of organizational populations and communities. Chapter 18:427-495 in Poole, M. S. and Van de Ven, A.H. Oxford Handbook of Organization Change and Innovation, 2nd Edition, by Oxford University Press.

Jackson, W. A. 2019. Chapter 2. In Markets: Perspectives from economic and social theory. Routledge: London.

Optional:

King, B. G., T. Felin and D. A. Whetten. 2010. Finding the organization in organization theory: a Meta Theory of the organization as a social actor. ***Organization Science***, 21(1): 290-305.

Barnett W.P. and D. A. Levinthal. 2017. Special issue introduction: Evolutionary logics of strategy and organization. *Strategy Science*, 2(1): ii-vi.

Brunsson, N. 2019. In memoriam: James G. March. 40(2): 291-295.

**Discussion questions for the third and fourth meetings**

- What are the key concepts, ideas, and theories that can be extracted from the readings?

- What central questions of strategy can be addressed using the above?

- What are the key differences between the economic and behavioral foundations?

- How can the evolutionary approach inform strategic management?

- What are the key differences in emphasis between the psychology/decision making approaches and the sociological ones?

- Do you agree with Bromiley’s assertion that behavioral assumptions are better suited to the central questions of the field of strategy?

**Topic 5: What is strategy? / Models of strategy formation[[3]](#footnote-3)**

Fifth session

Required readings: a) The Harvard tradition

Porter, M. E. 1991. Towards a dynamic theory of strategy. ***Strategic Management Journal****,*12, 95-117.

Porter, M. E. 1996. What is strategy? ***Harvard Business Review***. 71 (6): 61-78.

Chapters 2,3,4 in Mintzberg, H. Ahlstrand, B. and J. Lampel; 1998. ***Strategy Safari: A guided tour through the wilds of strategic management.*** The Free Press, New York.

Rao, H. and Dutta, S. 2017. Why Great Strategies Spring from Identity Movements. *Strategy Science*. 3(1): 313-322.

Required readings: b) Learning, evolutionary and other traditions

Mintzberg H. 1978. Patterns in strategy formation. ***Management Science***. 24(9): 934-948.

Burgelman, R.A. (1994). Fading memories: A process theory of strategic business exit in dynamic environments. *Administrative Science Quarterly*, *39*(1), 24–56.

Mintzberg, H. Ahlstrand, B. and J. Lampel; 1998. Ch, 7. ***Strategy Safari: A guided tour through the wilds of strategic management.*** The Free Press, New York.

Optional:

Inkpen A. and N. Choudhury. 1995. The seeking of strategy where it is not: Towards a

theory of strategy absence. ***Strategic Management Journal***, 16 (4): 313-323.

Bowman E. H. and D. Hurry. 1993. Strategy through the option lens: An integrated view of resource investments and the incremental – choice process. ***Academy of Management Review*,** 18 (760-782).

Discussion questions

* What is strategy in your opinion? What are the distinctive features of “strategy”? What is not strategy?
* What are the key models of strategy formation? What are their key assumptions?
* What are the main differences between (and within) the Harvard and Learning traditions?
* Is strategy more a “structure” or an “action”?

**Topic 6: Strategic decision making/TMT**

Required readings (a) SDM

Allison , G. T. and Zelikow, P. 1999. ***The essence of decision: Explaining the Cuban Missile Crisis***. 2nd edition. Introduction, Conclusion, and **two** of the following consecutive chapters: (1,2), (3,4),(5,6).

Leiblein, M. J. Reuer, J. J. and T. Zenger. 2018. What makes a decision strategic? *Strategy Science*

3(4):558-573.

Suggested readings (a): SDM

Allison , G. T. and Zelikow, P. 1999. ***The essence of decision: Explaining the Cuban Missile Crisis*.** 2nd edition. (The entire book).

Bourgeois, L. J. III and K. M. Eisenhardt, 1988. Strategic decision processes in high velocity environments: four cases in the microcomputer industry. ***Management Science,*** 34 (7): 816-835.

Required readings (b) TMT

Hambrick, D.C. and P.A. Mason, 1984. Upper echelons: the organization as a reflection of its top managers. ***Academy of Management Review***. 9: 195-206. Publications. Thousand Oaks, Ca.

Raffaelli, R., Glynn, M. A., & Tushman, M. 2019. Frame Flexibility: The Role of Cognitive and Emotional Framing in Innovation Adoption by Incumbent Firms*. Strategic Management Journal.*

*Fox, B. C., Simsek, Z., & Heavey, C. (2021). Top Management Team Experiential Variety, Competitive Repertoires, and Firm Performance: Examining the Law of Requisite Variety in the 3D Printing Industry (1986-2017). Academy of Management Journal, (ja).*

*Agarwal, R., Braguinsky, S., & Ohyama, A. (2020). Centers of gravity: The effect of stable shared leadership in top management teams on firm growth and industry evolution. Strategic Management Journal, 41(3), 467-498.*

Discussion questions:

- What are the distinguishing features of strategic decisions from other decisions, if any?

- What some of the sub processes are involved in strategic decision making?

- What are the key perspectives on strategic decision making?

- Does strategic decision making matter to performance? How?

- How can strategic decision making be improved?

- What are the distinctive features of top management teams? What is their strategic role?

 **Topic 7: Strategic Change, Persistence and Renewal**

Required readings:

Quinn, J. B, 1980. Chapters 2 and 4 in “***Strategies for change: Logical incrementalism****.”* Irwin. Homewood Illinois.

Rumelt P. R. 1995. Inertia and transformation. Ch. 5 in “***Resource-based and evolutionary theories of the firm: Towards a synthesis***”. Montgomery C. A. Ed.). Kluwer academic publishing, Norwell, Ma.

Dalapiaz E. V. Rindova and D. Ravasi. 2016. Combining logics to transform organizational agency: Blending industry and art at Alessi. *Administrative Science Quarterly*, 61(3): 347-392.

*Lungeanu, R., & Zajac, E. J. (2019). Thinking broad and deep: Why some directors exert an outsized influence on strategic change. Organization Science, 30(3), 489-508.*

Suggested readings:

Baden-Fuller C. and J. M. Stopford. 1994. Ch.1, 3, 4, 6. In ***Rejuvenating the mature business.*** Harvard Business School Press. Boston, MA.

Agwaral, R. and C. E. Helfat. 2009. Strategic renewal of organizations. ***Organization***

***Science.*** 20(2):281-293.

Jarzabkowski, P. 2008. Shaping strategy as a structuration process. ***Academy of***

***Management Journal***, 51(4): 621-650.

Vaara, E. and R. Whittington. 2012. Strategy-as-Practice. Taking Social Practices Seriously. The *Academy of Management Annals*, 6(1): 285-336.

Eggers, J. P. 2016. Reversing course: competing technologies, mistakes, and renewal in flat panel displays. *Strategic Management Journal*. 37: 1578-1596.

Discussion questions:

* + What are the dimensions of strategic change?
	+ What are the main impediments and drivers for change?
	+ What are the main models of strategic change and persistence?
	+ How can the processes of strategic change and renewal be managed?

**Topic 8: Strategy/Structure/Configurations and contradictions**

Required readings:

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part I (pp. 29-78). ***Economics Meets Sociology in Strategic Management. Advances in strategic management****.* JAI Press Inc. Stamford, CT.

Chandler, A. D., Jr. 1962. Chapters 1, 8 and one of chapters 2. to 5. In **Strategy and Structure: Chapters in the History of the Industrial Enterprise.** Cambridge, MA: MIT Press.

Dacin T. and Amburgey, TL. 1994. As the left foot follows the right: The dynamics of strategic and structural change. ***Academy of Management Journal****,* 37(6): 1427- 1452.

Farjoun, M. and Peer Fiss. 2021. Thriving on Contradiction: Towards a Dialectical Alternative to Fit-Based Models in Strategy. Forthcoming. *Strategic Management Journal*

Kretschmer, T., Leiponen, A., Schilling, M., & Vasudeva, G. (2020). Platform ecosystems as meta‐organizations: Implications for platform strategies. *Strategic Management Journal*.

Suggested readings:

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part I (pp. 79-115). ***Economics Meets Sociology in Strategic Management. Advances in strategic management****.* JAI Press Inc. Stamford, CT.

Sytch, Maxim, Franz Wohlgezogen, and Edward J. Zajac. 2018. "Collaborative by Design? How Matrix Organizations See/Do Alliances." Organization Science 29, (6): 1130-1148.

Discussion questions:

- What is the basic strategy-structure model?

- What are some of the alternative interpretations and extensions of the basic model?

- What are the key differences between the economic and sociological perspectives on the strategy-structure relationship?

- What are the strengths and limitations of the configuration view?

**Topic 9: Cognition, Learning and Interpretation**

Required readings:

Levinthal, D. A. and March, J. G. 1993. The myopia of learning. ***Strategic Management Journal***, 14 (special issue): 95-112.

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part I (pp. 16-17, 119-166). ***Economics Meets Sociology in Strategic Management. Advances in strategic management.*** JAI Press Inc. Stamford, CT.

Joseph, J., & Wilson, A. J. (2018). The growth of the firm: An attention‐based view. *Strategic Management Journal,* 39(6), 1779-1800.

Raffaelli, R. (2018). Technology reemergence: Creating new value for old technologies in swiss mechanical watchmaking, 1970-2008. Administrative Science Quarterly.

*Pillai, S. D., Goldfarb, B., & Kirsch, D. A. (2020). The origins of firm strategy: Learning by economic experimentation and strategic pivots in the early automobile industry. Strategic Management Journal, 41(3), 369-399.*

*Augustine, G., Soderstrom, S., Milner, D., & Weber, K. (2019). Constructing a distant future: Imaginaries in geoengineering. Academy of Management Journal, 62(6), 1930-1960.*

Suggested readings:

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part I (167-199). ***Economics Meets***

***Sociology in Strategic Management. Advances in strategic management*.** JAI

Press Inc. Stamford, CT.

Porac, J. F, H. Thomas, and C. Baden-Fuller, 1989. Competitive groups as cognitive communities: The case of Scottish knitwear manufacturers***.” Journal of Management Studies***, 26: 397-416.

Porac, J. F. Ventresca, M. J. and Y. Mishina, 2002. Inter organizational cognition and interpretation. Ch. 25 in J. A. C. Baum (Ed.), ***Companion to Organizations***. Blackwell Business.

Rindova, V. P. and C. J. Fombrun. 1999. Constructing Competitive Advantage: The role of firm-constituent interactions. ***Strategic Management Journal***, 20(8): 691-710.

Smircich L. and C. Stubbart, 1985. Strategic Management in an enacted world. ***Academy of Management Review***, 10(4): 724-736.

Discussion questions:

* + How is strategy viewed from an interpretive worldview?
	+ What are the roles of interpretation and cognition in strategy, strategy making and strategic change?
	+ How can interpretation and cognition be linked to performance?
	+ How do interpretation and cognition change over time?
	+ What is the role of learning in strategy, strategy making, strategic change and performance?

**Topic 10: Conceptions of Markets and Competitive Processes**

Required readings:

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part I (pp. 309-350) in ***Economics Meets Sociology in Strategic Management. Advances in strategic management****.* JAI Press Inc. Stamford, CT. ;

Pfeffer J. and G. R. Salancik. 1978. Chapters 3 and 10 in ***The external control of organizations: A resource Dependence Perspective.*** Harper & Row, Publishers. New York.

Chapters 5-8. In Jackson, W. A. 2019. Markets: Perspectives from economic and social theory. Routledge: London.

Cole, B. M., & Chandler, D. (2019). A Model of Competitive Impression Management: Edison versus Westinghouse in the War of the Currents. Administrative Science Quarterly,

*Hernandez, E., & Shaver, J. M. (2019). Network synergy. Administrative Science Quarterly, 64(1), 171-202.*

*Brattström, A., & Faems, D. (2020). Interorganizational relationships as political battlefields: How fragmentation within organizations shapes relational dynamics between organizations. Academy of Management Journal, 63(5), 1591-1620*

*Hsu, G., & Grodal, S. (2021). The double-edged sword of oppositional category positioning: A study of the US E-cigarette category, 2007–2017. Administrative Science Quarterly, 66(1), 86-132.*

*Kroezen, J. J., & Heugens, P. P. (2019). What is dead may never die: Institutional regeneration through logic reemergence in Dutch beer brewing. Administrative Science Quarterly, 64(4), 976-1019.*

Suggested readings:

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part I (pp. 351-388) in ***Economics Meets Sociology in Strategic Management. Advances in strategic management****.* JAI Press Inc. Stamford, CT.

Oliver C. 1991. Strategic responses to institutional processes. ***Academy of Management Review***, 16(1): 145-179.

Ahuja, Gautam, Laurence Capron, Michael Lenox, and Dennis A. Yao. 2018. "Strategy and the institutional envelope." Strategy Science 3(2): ii-x.

Fligstein, N., & McAdam, D. (2012). *A theory of fields*. Oxford University Press. (Chapter 1)

Discussion questions:

* + What are the key behavioral conceptions of markets and competition?
	+ What do these conceptions add to the economic view of markets?
	+ What are the strategic implications of these conceptions?

**Topic 11: Firm heterogeneity, shaping and sustained competitive advantage**

Readings (required)

Review the introduction in Bromiley, P. 2005. ***The Behavioral Foundations of Strategic Management****.* Blackwell Publishing. Malden, MA.

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part III (pp. 203-259) in ***Economics Meets Sociology in Strategic Management. Advances in strategic management****.* JAI Press Inc.

 Stamford, CT.

Gavetti, G., Helfat, C. E., & Marengo, L. (2017). Searching, shaping, and the quest for superior performance. Strategy Science, 2(3), 194-209.

Garud, R., Kumaraswamy, A., Roberts, A., & Xu, L. (2020). Liminal movement by digital platform‐based sharing economy ventures: The case of Uber Technologies. *Strategic Management Journal.*

Ocasio, W., Pozner, J. E., & Milner, D. (2020). Varieties of political capital and power in organizations: A review and integrative framework. Academy of management annals, 14(1), 303-338.

*Cappellaro, G., Compagni, A., & Vaara, E. (2021). Maintaining strategic ambiguity for protection: Struggles over opacity, equivocality, and absurdity around the Sicilian Mafia. Academy of Management Journal, 64(1), 1-37*

Pontikes, E. G., & Rindova, V. P. (2020). Shaping markets through temporal, constructive, and interactive agency. Strategy Science, 5(3), 149-159.

Readings: Suggested

Baum, J. A. C. and F. Dobbin (Eds.). 2000. Part III (pp. 261-305) in ***Economics Meets***

***Sociology in Strategic Management. Advances in strategic management****.* JAI Press Inc. Stamford, CT.

Helfat et al, 2007. Chapter 1 in **“Dynamic capabilities”.** Oxford University Press.

Salvato, C. 2009. Capabilities unveiled: The role of ordinary activities in the evolution of product development processes. *Organization Science*, 20(2): 384-409.

Levinthal D. 1995. Strategic management and the exploration of diversity. Ch. 2 in **“*Resource-based and evolutionary theories of the firm: Towards a synthesis*”.** Montgomery C. A. (Ed.). Kluwer academic publishing, Norwell, Ma.

Carroll, G. R. 1993. A Sociological View on Why Firms Differ. ***Strategic Management***

 ***Journal***, 14 (4) 237-249.

Discussion questions:

* + What are the sources of firm diversity?
	+ Why does it matter?
	+ How can behavioral research contribute to answering these questions?
	+ What is the promise of dynamic capability research?

 **Topic 12: Emerging topics and course summary**

General: In this final session we will:

1. Summarize the course

2. Discuss emerging research directions in strategy

3. Learn about some of the instructor's work in progress.

4. Potentially, visit the progress made on the final papers.

Readings: Specific readings (TBA) from this list are going to be discussed in class:

Powell, T.C. Lovallo, D. and C. Fox, 2011. Behavioral strategy, ***Strategic Management Journal***. 32(13): 1369-1523.

Powell, T.C. Neuropsychology. 2011. ***Strategic Management Journal***. 32(13): 1484-1499.

Gerard. G., Haas, M. and A. Pentland. 2014. Big Data and Management. Academy of Management Journal. 57 (2): 321-326.

Denrell, J. Fang, C. and C. Liu. 2015. Chance explanations in the management sciences. Organization Science.

Kahl, S. J. and S. Grodal. 2016. Discursive strategies and radical technological change: multilevel discourse analysis of the early computer (1947-1858). Strategic Management Journal, 37 (149-166.

Leavitt, K., Schabram, K., Hariharan, P., & Barnes, C. M. (2020). Ghost in the Machine: On Organizational Theory in the Age of Machine Learning. Academy of Management Review.

Farjoun, M. 2019. Strategy and Dialectics: Rejuvenating a long-standing relationship. *Strategic Organization*, 17(1): 133-144.

1. “The social science of strategy” or “strategy and social theory” are likely more appropriate course titles [↑](#footnote-ref-1)
2. The suggested list includes about 12 papers to select from. [↑](#footnote-ref-2)
3. A tentative special guest presentation on habits and routines around here [↑](#footnote-ref-3)