

## Management 8330: Topics in Strategy Formulation

**Fall 2014**

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Class Time: Tuesday 8-11 a.m. (tentative)  
Office Hours: Tuesday Noon - 1 p.m. and by appointment  
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### **Course Description:**

This seminar is offered for Ph.D. students with interests in the area of management, and is intended to explore a variety of topics within the Strategic Management discipline. Strategic Management is a field that examines macro topics of internal and external focus with the intent of understanding what enables some firms to outperform others in their industries and marketplaces.

### **Course Objectives:**

The major objective of this course is to enable seminar members to pursue theory-driven research on organizations. In order to accomplish this goal, we will endeavor to:

- develop a thorough knowledge of the major approaches to studying organizations and Strategy;
- encourage a creative and critical engagement with existing Strategy theory and methods;
- gain an historical and contemporary understanding of the Strategic Management discipline;
- improve our ability to articulate arguments and propose new research ideas on the development of the Strategy field.

We will examine both important historical contributions and more recent treatments of key topics. Each session may contain both theoretical and empirical contributions. Because of time limitations, our examination of topics will be introductory rather than exhaustive.

### **Course Format**

Students are expected to come to class thoroughly prepared to discuss the articles assigned for that week. As your workload grows throughout the semester, the temptation will be great to be a “free rider.” Don't do it -- anyone who has preceded you in a

doctoral seminar will tell you that you only get out of it what you put in it. For each set of readings, members of the class will be assigned to summarize each article and lead the discussion. The following questions should help you in preparing to discuss an article:

1. What is the author's basic argument/primary research questions explored in the paper?
2. What are the key relationships the author describes and/or examines? What is the theory underlying these relationships? What are the inherent assumptions associated with the applied theories?
3. (If applicable) Is the methodology used appropriate? What are the assumptions and trade-offs inherent in using this research design and methodology?
4. How useful is this article to scholars? Practitioners?
5. How does this article contribute to the literature being discussed this week?
6. What future research directions might be sparked by this article?

When you are a discussion leader for an article, you need to come to class with answers to the above questions. My main role in class will be to facilitate discussion and provide context for the topics being discussed. We will divide each week's topics among the students, with each of you acting as the primary discussion leader and topic matter expert for your week as leader.

### **Justification for Graduate Credit**

25% of your grade will be based on your contribution to class discussions, both as a discussion leader and as a participant. The course will be conducted as a seminar, which means that all participants bear responsibility for contributing to the common experience. *The seminar format focuses on student discussion, not faculty lectures.* Students will be expected to have reviewed the assigned readings for each session, and to come to seminar prepared to discuss the assigned readings in detail. My advice would be to divide the readings among yourselves each week, and we'll have a primary person assigned to lead the discussion and present each reading. You may exchange reading summaries among yourselves as well, however, it is essential that each of you come to class having read each study and ready to actively participate each week. Participation can also include asking intriguing or clarifying questions to be addressed by the seminar participants as a whole, rather than myself. The discussion should relate each week's readings to one another, as well as relating the readings from the current week to prior weeks.

15% of your grade will be based on the completion of weekly thought papers. Your thought papers should be 1-2 pages in length, and relate to the topic covered that week. In your thought papers, you may 1) compare, contrast, and link the various papers for the week, noting commonalities and gaps in the literature, 2) compare the readings that week to topics covered in previous weeks or prior seminars, 3) expand on one/two particular

papers/topics for the week in greater detail!!! Use your training and imagination, these are more than basic summaries of that week's readings!!! The goal here is to raise points of interest, explore insightful questions, and to provide stimulation for future research projects. Think of your thought papers as a weekly diary covering the seminar topics, and **YOUR** impressions and opinions (informed opinions!!!) of these topics.

60% of the grade will be based on a conceptual/empirical research paper. Your paper will involve applying theory to a Strategic Management of interest to you in order to generate new insights about the issue. I expect you to produce a paper of Academy of Management conference submission quality, with the ultimate goal of producing a journal publication. Of this 60%, 40% will be derived from your final paper, 15% will be based on your class presentation of your paper, and 5% will be based on your role as a discussant of another student paper in the class. Examples of what your paper should look like will be presented through the semester. The class period on October 16<sup>th</sup> will be dedicated to turning in a one to two-page outline of your paper, and discussing your paper plans with me individually. The paper should be a **minimum of 20 written pages, plus references and tables**. Your paper is due to me by 5:00 pm on Wednesday, December 5<sup>th</sup>, 2012.

\*\*\*\*\*No incompletes will be allowed at the end of the semester.

**STATEMENT RELATED TO POLICIES ON UNANNOUNCED QUIZZES AND CLASS ATTENDANCE:** Attending class a key to success in this class, and participation is a major component of the grading system. As a result, while attendance itself is mandatory, attendance alone is not satisfactory to complete the course. Unannounced quizzes may be given if the students do not come to seminar prepared to actively discuss readings for the week. Any absences from class must be discussed and approved prior to a missed class.

**SPECIAL ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES:** Students who need special accommodations should make an appointment to discuss the Accommodations Memo with me during my office hours as soon as possible. If scheduled office hours conflict with classes, please arrange an alternate appointment time. If you do not have an Accommodations Memo, but need special accommodations, contact The Program for Students with Disabilities, 1244 Haley Center, 334.844.5943 (Voice T/O).

**ACADEMIC HONESTY:**

All portions of the Auburn University Honesty Code (Title XII) found in the Tiger Cub will apply to this class.

**STATEMENT REGARDING EMAIL AS OFFICIAL MEANS OF COMMUNICATION:**

Email is the university approved form of communication. It is the student's responsibility to make sure that s/he checks, receives, and responds to class e-mail.

## **Class Schedule**

Note: We may find it useful to add, delete, and/or move around some specific articles based on how our discussions develop. Most of the articles are available electronically via JSTOR, ABI/INFORM, and other websites.

### **Week 1 (8/20): Organization of Class and Syllabus Review**

Bacharach, S. 1989. "Organizational Theories: Some Criteria for Evaluation", *Academy of Management Review*, 14(4): 496-515.

### **Week 2 (8/27): What is Strategy? Defining the Field**

Evered, R., 1980. "Review of Schendel and Hofer", *Administrative Science Quarterly*, 536-543.

Rumelt, Richard P., Schendel, Dan, & Teece, David J. 1991. "Strategic Management and Economics", *Strategic Management Journal*, 12 (Winter Special Issue): 5-29.

Barney, Jay B. 1986. "Types of Competition and the Theory of Strategy: Toward an Integrative Framework", *Academy of Management Review*, 11(4): 791-800.

Hoskisson, R., Hitt, M., Wan, W., & Yiu, D., 1999. "Theory and research in strategic management: Swings of a pendulum", *Journal of Management*: 417-456.

Porter, M.E. 1996. "What is Strategy?", *Harvard Business Review*, 74(6): 61-78.

Hambrick, D.C. & Fredrickson. 2001. "Are you sure you have a strategy?", *Academy of Management Executive*, 15(4): 48-59.

Nag, R., Hambrick, D. & Chen, M. 2007. "What is strategic management, really? Inductive derivation of a consensus definition of the field", *Strategic Management Journal*, 28(9): 935-955.

### **Week 3 (9/3): Conceptualizing and Operationalizing Strategy**

Snow, C.C. and Hambrick, D.C., 1980. "Measuring organizational strategies: Some theoretical and methodological problems" *Academy of Management Review*, 527-538.

Ventkatraman, M. and Ramanujam, V. 1986. "Measurement of Business Performance in Strategy Research: A Comparison of Approaches" *Academy of Management Review*, 11(4): 801-814.

March, J. & Sutton, R. 1997. "Organizational Performance as a Dependent Variable", *Organization Science*, 8(6): 698-706.

Kaplan, R. & Norton, D. 2004. "The strategy map: Guide to aligning intangible assets", *Strategy & Leadership*, 32(5): 10-17.

Boyd, B.K., Gove, S., & Hitt, M.A. 2005. "Construct measurement in strategic management research: Reality or illusion?", *Strategic Management Journal*, 26(3): 239-257.

Boyd, B.K., Gove, S., & Hitt, M.A. 2005. "Consequences of measurement problems in strategic management research: The case of Amihud and Lev", *Strategic Management Journal*, 26(4): 367-375.

#### **Week 4 (9/10): What We Do...Auburn Strategy Faculty Research**

Reus, T. H., Ranft, A., Lamont, B.T. & Adams, G.L. 2009. "An Interpretive Systems View of Knowledge Investments", *Academy of Management Review*, 2009, 34(3): 382-400.

Plowman, D.A., Baker, L.T., Beck, T.E., Kulkarni, M., Solanski, S.T., & Travis, D.B. 2007. "Radical Change Accidentally: The Emergence and Amplification of Small Change", *Academy of Management Journal*, 50(3): 515-543.

Connelly, B.L., Tihanyi, L., Certo, S.T., & Hitt, M.A. Forthcoming. "Marching to the Beat of Different Drummers: The Influence of Institutional Owners on Competitive Actions", *Academy of Management Journal*.

Ketchen, D.J., Thomas, J.B., and Snow, C.C. 1993. "Organizational Configurations and Performance: A Comparison of Theoretical Approaches", *Academy of Management Journal*, 36(6): 1278-1313.

Crook, T.R., Shook, C.L., Morris, M.L. & Madden, T.M. 2010. "Are We There Yet: An Assessment of Research Design and Construct Measurement Practices in Entrepreneurship Research", *Organizational Research Methods*, 13(1): 192-206.

Stanwick, P.A. & Stanwick, S.D. 1998. "The Relationship between Corporate Social Performance, and Organizational Size, Financial Performance and Environmental Performance: An Empirical Examination. *Journal of Business Ethics*, 17(2): 195-204.

Zorn, Shropshire, Martin & Combs. Working paper. "Has Board Independence Gone Too Far? The Effects of Lone-Insider Boards on CEO Compensation and Firm Value". Under review at *Strategic Management Journal*.

### **Week 5 (9/17): Economics and Strategy: I/O, Agency & Transaction Cost Economics Theories**

Rumelt, Richard P. 1991. "How Much Does Industry Matter?", *Strategic Management Journal*, 12: 167-185.

Williamson, O.E. 1979. "Transaction-cost economics: The governance of contractual relationships", *Journal of Law and Economics*, 22: 233-261.

Williamson, O. E. 1999. "Strategy research: Governance and competence perspectives", *Strategic Management Journal*, 20: 1087-1108.

Ghoshal, S. & Moran, P. 1996. "Bad for practice: A critique of the transaction cost theory", *Academy of Management Review*, 21(1): 13-47.

Jensen, M.C. & Meckling, W.H. 1976. "Theory of the firm: Managerial behavior, agency costs and ownership structure", *Journal of Financial Economics*, 3(4): 305-360.

Fama, E. & Jensen, M. 1983. Separation of Ownership and Control. *Journal of Law and Economics* 26: 301-325.

Eisenhardt, K. 1989. "Agency theory: An assessment and review", *Academy of Management Review*, 14: 57-74.

### **Week 6 (9/24): Resource & Knowledge-Based Views of the Firm**

Wernerfelt, B., 1984. "A resource-based view of the firm", *Strategic Management Journal*, 171-180.

Peteraf, M.A., 1993. "The cornerstones of competitive advantage: A resource-based view." *Strategic Management Journal*, 179-192.

Conner K.R. & Prahalad C.K., 1996. A resource-based theory of the firm: Knowledge versus opportunism. *Organization Science*, 7(5), 477-501.

Black, J. & Boal, K. (1994) Strategic resources: Traits, configurations, and paths to sustainable competitive advantage. *Strategic Management Journal* Vol. 15, 131-148.

Teece D, Pisano G and Shuen A (1997) Dynamic capabilities and strategic management. *Strategic Management Journal* 18(7), 509-533.

Miller D and Shamsie J (1996) The resource-based view of the firm in two environments: The Hollywood film studios from 1936 to 1965. *Academy of Management Journal*, 39(3), 519-543.

Grant, R., 1996. Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17: 109-122.

Grant RM (1996) Prospering in dynamically-competitive environments: Organizational capacity as knowledge integration. *Organization Science* 7(4), 375-387.

### **Week 7 (10/1): Organizational Learning & Innovation**

Huber, G. 1991. "Organizational learning: The contributing processes and the literatures", *Organizational Science*, 2(1): 88-115.

Garvin, D. A. 1994. "Building a learning organization", *Business Credit*, (96)1: 19-28.

Tushman, M. & Anderson, P. 1986. "Technological discontinuities and organizational environments", *Administrative Science Quarterly*, 31(3): 439-465.

Cohen W and Levinthal D (1990) Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly* 35(1), 128-152.

Zahra, S. & George, G. 2002. "Absorptive capacity: A review, reconceptualization, and extension", *Academy of Management Review*, 27(2): 185-203

Lane, P., Koka, B. & Pathak, S. 2006. "The reification of absorptive capacity: A critical review and rejuvenation of the construct", *Academy of Management Review*, 31(4): 833-863.

Garud R and Nayyar P (1994) Transformative capacity: Continual structuring by intertemporal technology transfer. *Strategic Management Journal* 15, 365-385.

### **Week 8 (10/8): Socio-Cognitive Views of Organizations**

Tushman, Michael & D. Nadler. 1978. Information processing as an integrating concept in organizational design. *Academy of Management Review*. 3: 613-624.

Walsh, James P. 1995. Managerial and organizational cognition: Notes from a trip down memory lane. *Organization Science*. 6: 3: 280-321.

Weick, K., Sutcliffe, K. & Obstfeld, D. 2005. "Organizing and the Process of Sensemaking", *Organization Science*, 16(4): 409-424.

Walsh, J.P. & Ungson, G.R. 1991. "Organizational Memory", *Academy of Management Review*, 16(1): 57-91.

Nag, R., Corley, K.G & Gioia, D.A. 2007. "The intersection of organizational identity, knowledge, and practice: Attempting strategic change via knowledge grafting", *Academy of Management Journal*, 50(4): 821-847.

Brown, J.S. & Duguid, P. 2001. "Knowledge and organization: A social-practice perspective", *Organization Science*, 12(2): 198-213.

### **Week 9 (10/15): 1<sup>st</sup> Paper Meeting, Initial Paper Outlines Due**

### **Week 10 (10/22): Strategic Leadership/Upper Echelons Theories**

Lieberson, S. & O'Connor, J. 1972. "Leadership and Organizational Performance: A Study of Large Corporations", *American Sociological Review* 37: 117-130.

Hambrick, D. & Mason, P. 1984. "Upper Echelons: The Organization as a Reflection of Its Top Managers", *Academy of Management Review*, 9: 193-206.

Carpenter, M., Geletkanycz, M. & Sanders, W.G. 2004. "Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition", *Journal of Management*, 30(6): 749-778.

Hambrick, D. 2007. "Upper Echelons Theory: An Update", *Academy of Management Review*, 32(2): 334-343.

Hambrick, D. C., & Finkelstein, S. 1987. Managerial discretion: A bridge between polar views of organizational outcomes. In B. M. Staw & L. L. Cummings (Eds.), *Research in Organizational Behavior*, Vol. 9: 369-406. Greenwich, CT: JAI.

Pettigrew, A. 1992. "On studying managerial elites", *Strategic Management Journal*, 13: 163-182.

### **Week 11 (10/29): Corporate Governance/Agency Theory II**

Mizruchi, M. 1983. Who Controls Whom? An Examination of the Relation Between Management and Boards of Directors in Large American Corporations. *Academy of Management Review* 8: 426-435.

Mizruchi, M. 1996. What Do Interlocks Do? An Analysis, Critique, and Assessment of Research on Interlocking Directorates. *Annual Review of Sociology* 22: 271-298.

Zahra, S. & Pearce, J. 1989. Board of Directors and Corporate Financial Performance: A Review and Integrative Model. *Journal of Management* 15: 291-334.



Daily, C. & Johnson, J. 1997. Sources of CEO Power and Firm Financial Performance: A Longitudinal Assessment. *Journal of Management* 23: 97-117.

Hambrick, D.C. & Quigley, T.J. 2014. Towards More Accurate Contextualization of the CEO Effect on Firm Performance. *Strategic Management Journal*, (35): 473-491.

### **Week 12 (11/5): Power & Politics in Organizations**

Zald, M. 1969. The Power and Functions of Boards of Directors: A Theoretical Synthesis. *American Journal of Sociology* 5: 97-111.

Ocasio, W. 1994. Political Dynamics and the Circulation of Power: CEO Succession in U.S. Industrial Corporations, 1960-1990. *Administrative Science Quarterly* 39: 285-312.

Pearce, J. & Zahra, S. 1991. The Relative Power of CEOs and Boards of Directors. *Strategic Management Journal* 12: 135-153.

Finkelstein, S. 1992. Power in Top Management Teams: Dimensions, Measurement, and Validation. *Academy of Management Journal* 35: 505-538.

Boeker, W. 1992. Power and Managerial Dismissal: Scapegoating at the Top. *Administrative Science Quarterly* 27: 538-547.

Boyd, B. 1994. Board Control and CEO Compensation. *Strategic Management Journal* 15: 335-344.

Brass, D. & Burkhardt, M. 1993. Potential Power and Power Use: An Investigation of Structure and Behavior. *Academy of Management Journal* 36: 441-470.

Golden, B. & Zajac, E. 2001. When Will Boards Influence Strategy? Inclination x Power = Strategic Change. *Strategic Management Journal* 22: 1087-1111.

### **Week 13 (11/10), date changed due to SMA: Strategy Process & Schumpeterian/Dynamic Views of Strategy**

Fredrickson, J.W. & Mitchell, T.R., 1984. "Strategic decision processes: Comprehensiveness and performance in an industry with an unstable environment." *Academy of Management Journal*, 399-423.

Schweiger, D.M., Sandberg, W.R., & Ragan, J.W., 1986. "Group approaches for improving strategic decision making: A comparative analysis of dialectical inquiry, devil's advocacy, and consensus." *Strategic Management Journal*, 51-71.

Bourgeois, L. J., III. & Eisenhardt, Kathleen M. 1988. Strategic Decision Processes in High Velocity Environments: Four Cases in the Microcomputer Industry. *Management Science*. 34(7): 816-835.

Eisenhardt, K. & Zbaracki, M., 1992. "Strategic decision making." *Strategic Management Journal*, 17-37.

Hambrick, D.C., Finkelstein, S., & Mooney, A.C., 2005. "Executive job demands: New insights for explaining strategic decisions and leader behaviors." *Academy of Management Review*, 472-491.

Hambrick, D. & Abrahamson, E. 1995. "Assessing Managerial Discretion Across Industries: A Multimethod Approach", *Academy of Management Journal* 38: 1427-1441.

Chen, M-J, Smith, K.F., & Grimm, C.M., 1992. "Action characteristics as predictors of competitive responses." *Management Science*, 439-455.

Ferrier, W.J., Smith, K.G., & Grimm, C.M., 1999. "The role of competitive action in market share erosion and industry dethronement: A study of industry leaders and challengers." *Academy of Management Journal*, 372-388.

Eisenhardt, Kathleen M. & Martin, J. A. (2000). Dynamic capabilities: What are they? *The Strategic Management Journal*. 21(10-11): 1105-1121.

**Week 14 (11/19): Student Presentations**

**Week 15 (11/26): Thanksgiving Break, No Class**

**Week 16 (12/2): Review/Meta-Analysis Articles of Your Choice...What are you interested in?**

**Week 17 (12/8): Final Papers Due by 5 p.m. Monday evening**

**Extra Reading of Assorted Topics: Corporate Strategy, Diversification & International Strategy**

Rumelt, R.P., 1982. "Diversification strategy and profitability." *Strategic Management Journal*, 359-369.

Ramanujam, Vasudevan & Varadarajan, P., 1989. "Research on corporate diversification: A synthesis." *Strategic Management Journal*, 523-551.

Bowman, E.H. & Helfat, C.E., 2001. "Does corporate strategy matter?" *Strategic Management Journal*, 1-24.

Dess, G., Gupta, A., Hennart, J., & Hill, C. 1995. Conducting and integrating strategy research at the international, corporate, and business levels: Issues and directions. *Journal of Management*, 21(3): 357-393.

Vermeulen, F. & Barkema, H., 2002. "Pace, rhythm, and scope: Process dependence in building a profitable multinational corporation." *Strategic Management Journal*, 637-653.

Haleblian, J. & Finkelstein, S. 1999. "The influence of organizational acquisition experience on acquisition performance: A behavioral learning perspective", *Administrative Science Quarterly*, 44(1): 29-56.