

**Yilin,**

**IMS 7301 Ph.D. Seminar in International Business  
Fall, 2023**

Instructor: Seung-Hyun Lee  
Monday 1:00 – 3:45 SOM 14.501  
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**Course Description:**

This course is designed to provide a strong foundation for critical thinking in the area of international business. This course will be run as a seminar examining theories and empirical studies in international business. The course will be inter-disciplinary. Many non-technical economics and finance articles are included in the reading list. Some basic readings are included in the required reading list to make sure everybody understands the basic premise of each theory.

**Session coordination and integration:**

*An integrator* for each session **will be randomly selected** except those sessions the instructor will lead. The student assigned as the 'integrator' at the beginning of each session will facilitate the discussion. The **integrator** will first *briefly* tie together the day's readings and place them in the context of the field. Then the integrator will facilitate discussions for each paper.

Use PPT slides to start with overall picture of the readings. Figures or tables will be helpful. No summaries of the readings!!! Around one and a half hour to two hours will be used for the discussion with the facilitator.

**Research Project:**

Each student will be required to present a research proposal on a designated day (**bring PPT slides and a 2-3 page single spaced proposal**) before the class and research paper by **December 10<sup>th</sup>**. The research project will involve writing a major publishable paper focusing in IB/IM issues. The research paper should be an **empirical paper** around 20 - 25 pages long plus references. It is going to be an empirical paper without data and results sections even though students are encouraged to include empirical analyses (especially for the second years). The format required by the *Academy of Management Journal* is recommended. You will need to read beyond the readings in the syllabus to write a research paper. Ideally, you may work on the empirical side of the paper during the winter break and send it to major conferences such as *Academy of International Business* or *Academy of Management*. Project already underway can be extended as a research paper for the class. The topic of the research paper is not limited to the topics we cover in class. However, the research paper has to have international dimensions.

Collaboration with your colleagues in writing research projects **is discouraged** to minimize free-riding problems. Project underway with faculty member(s) is valid for a research paper if the student is the lead author.

**\*\* Late paper will not be accepted \*\***

### **Research Project Presentation:**

During **the last two classes**, all students are required to present his or her research paper in front of the class. Each student will have 15-20 minutes for presentation and 5-10 minutes for Q & A.

### **Structure and Responsibilities:**

To encourage learning, students are expected to actively participate in class discussions.

Guidelines for discussion:

1. What is the main research question of the paper? Is this an important question?
2. What are the assumptions in the paper? Are they valid? Why or why not?
3. What is the possible way of extension? How would you proceed?
4. How would you position the article among the assigned readings or in the field?

### **Evaluation:**

Your final grade will be determined as follows.

Research paper: 70%

Class participation (attendance, discussions and facilitations): 30%

### **Readings:**

You should read all required readings before the class time. Basic readings are for those who do not have enough background to understand the required readings. You should be ready to talk about the main message, methodological sophistication, and possible extension of the papers under required readings.

If you want to start from scratch, here are some basic readings for economic approach in strategic management and international business.

#### **Basic reading for Microeconomics**

Hirshleifer, J., & Hirshleifer, D. (1999). *Price theory and applications: decisions, markets, and information*. Cambridge, UK: Cambridge University Press. Any edition.

#### **Basic Strategic Management reading**

Barney, J. (2011). *Gaining and sustaining competitive advantage*. Upper Saddle River, NJ: Prentice Hall. 4<sup>th</sup> edition

### **Looking inside a firm from economics perspective**

Milgrom, Paul & Roberts, John. (1992). *Economics, organization, and management*. Upper Saddle River, NJ: Prentice Hall.

### **Further readings:**

Rumelt, R. P., Schendel, D., & Teece, D. J. (1991). Strategic management and economics. *Strategic Management Journal*, 12(S2), 5-29.

Shapiro, C. (1989). The theory of business strategy. *Rand Journal of Economics*, 20(1), 125-137.

Hesterly, W. S., Liebeskind, J., Zenger, T. R. (1990). Organizational economics: An impending revolution in organization theory? *Academy of Management Review*, 15(3), 402-420.

Porter, M. E. (1981). The contributions of industrial organization to strategic management. *Academy of Management Review*, 6(4), 609-620.

## **Introduction (8/21/2023)**

### ***Integrator: Instructor***

#### **Required readings:**

Roth, K., & Kostova, T. (2003). The use of the multinational corporation as a research context. *Journal of management*, 29(6), 883-902.

Kostova, T., Roth, K., & Dacin, M. T. (2008). Institutional theory in the study of multinational corporations: A critique and new directions. *Academy of Management Review*, 33(4), 994-1006.

Bello, D. C., & Kostova, T. (2012). From the editors: Conducting high impact international business research: The role of theory. *Journal of International Business Studies*, 43(6), 537-543.

#### **Recommended readings:**

Cheng, J. 1994. Notes: On the concept of universal knowledge in organizational science: Implications for cross-national research, *Management Science*, 40(1): 162-168.

Shenkar, O. and M. von Glinow, 1994. Paradoxes of organizational theory and research: Using the case of China to illustrate national contingency. *Management Science*, 40(1): 56-71.

## **Institutional Differences and Institutional Change (8/28/23)**

### ***Integrator:***

#### **Required readings:**

Fisman, R., & Miguel, E. (2007). Corruption, norms, and legal enforcement: Evidence from diplomatic parking tickets. *Journal of Political Economy*, 115(6), 1020-1048.

Witt, M., & Lewin, A. (2007). Outward foreign direct investment as escape response to home country institutional constraints. *Journal of International Business Studies*, 38(4), 579-594.

Bennett, D.L., Boudreaux, C. and Nikolaev, B., 2023. Populist discourse and entrepreneurship: The role of political ideology and institutions. *Journal of International Business Studies*, 54(1), pp.151-181.

Del Sol, P., & Kogan, J. (2007). Regional competitive advantage based on pioneering economic reforms: the case of Chilean FDI. *Journal of International Business Studies*, 38(6), 901-927.

Wang, S., Wei, J. and Zhao, M., 2022. Shopping as locals: A study of conduit acquisition by multinational enterprises. *Journal of International Business Studies*, 53(8), pp.1670-1694.

#### **Recommended Readings:**

Witt, M.A., 2019. De-globalization: Theories, predictions, and opportunities for international business research. *Journal of International Business Studies*, 50(7), pp.1053-1077.

Rajan, R., & Zingales, L. (2003). The great reversals: The politics of financial development in the 20<sup>th</sup> century. *Journal of Financial Economics*, 69(1), 5-50.

Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2002). The regulation of entry, *Quarterly Journal of Economics*, 117(1), 1-37

Khanna, T., & Rivkin, J. (2001). Estimating the performance effects of business groups in emerging markets. *Strategic Management Journal*, 22(1), 45-74.

La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (1997). Legal determinants of external finance. *Journal of Finance*, 52(3), 1131-1150.

Seo, M. G., & Creed, W. D. (2002). Institutional contradictions, praxis, and institutional change: A dialectical perspective. *Academy of Management Review* 27(2), 222-247.

Newman, K. (2000). Organizational transformation during institutional upheaval. *Academy of Management Review*, 25(3), 602-619.

Rajan, R., & Zingales, L. (1998). Financial dependence and growth. *American Economic Review*, 88(3), 559-586

Biggart, N., & Guillen, M. (1999). Developing difference: social organization and the rise of the auto industries of South Korea, Taiwan, Spain, and Argentina. *American Sociological Review*, 64(5), 722-747.

DiMaggio, P., & Powell, W. (1991). Introduction. In Powell W, DiMaggio P. (Ed.). *The new institutionalism in organizational analysis*. (pp. 1-38) Chicago, IL: University of Chicago Press.

Zucker, L. G. (1988). Where do institutional patterns come from? Organizations as actors in social systems, In L. G. Zucker (Ed.), *Institutional patterns and organizations: Culture and environment*. (pp. 23-49). Cambridge, MA: Ballinger.

Greenwood, R., & Hinings, C. R. (1996). Understanding radical organizational change: Bringing together the old and the new institutionalism. *Academy of Management Review*, 21(4), 1022-1054.

Castellaneta, F., Conti, R. and Kacperczyk, A., 2017. Money secrets: How does trade secret legal protection affect firm market value? Evidence from the uniform trade secret act. *Strategic Management Journal*, 38(4), pp.834-853.

Lel, U., Miller, D., & Reisel, N. (2019). Explaining top management turnover in private corporations: The role of cross-country legal institutions and capital market forces. *Journal of International Business Studies*, 50(5), 720-739.

**No class (9/4/23) – Labor day**

## **TCE & RBV and beyond (9/11/23)**

**Integrator:** \_\_\_\_\_

### **Basic readings:**

Coase, R. H. (1937). The nature of the firm. *Economica*, 4(16), 386-405.

Williamson, O. E. (1979). Transaction-cost economics: the governance of contractual relations. *Journal of Law and Economics*, 22(2), 233-261.

Williamson, O. E. (1993). Calculativeness, trust, and economic organization. *Journal of Law and Economics* 36(1, Part 2), 453-

Lippman, S., & Rumelt, R. (1982). Uncertain imitability: An analysis of interfirm differences in efficiency under competition. *Bell Journal of Economics*, 13(2), 418-438.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171-180.

Dierickx, I. and K. Cool. (1989). Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35(12), 1504-1511.

Peteraf, M. (1993). The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal*, 14(3), 179-192.

Amit, R. and Schoemaker, P. (1993). Strategic assets and organizational rent. *Strategic Management Journal*, 14(1), 33-46.

Godfrey, P. C. and Hill, C. W. (1995). The problem of unobservables in strategic management research. *Strategic Management Journal*, 16(7), 519-533.

Barney, J. (1986). Strategic factor markets: Expectations, luck, and business strategy. *Management Science*, 32(10), 1231-1241.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.

Barney, J., & Hansen, M. H. (1994). Trustworthiness as a source of competitive advantage. *Strategic management journal* 15(S1), 175-190.

Barney, J.B., 2018. Why resource-based theory's model of profit appropriation must incorporate a stakeholder perspective. *Strategic Management Journal*, 39(13), pp.3305-3325.  
486.

Mahoney, J.T. and Pandian, J.R., 1992. The resource-based view within the conversation of strategic management. *Strategic management journal*, 13(5), pp.363-380.

### **Required readings:**

Hill, C. W., & Kim W.C. (1988). Searching for a dynamic theory of the multinational enterprise: A transaction cost model. *Strategic Management Journal*, 9(S1), 93-104.

Kang, M. P., Mahoney, J. T., & Tan, D. (2009). Why firms make unilateral investments specific to other firms: The case of OEM suppliers. *Strategic Management Journal*, 30(2), 117-135.

Silverman, B. S., & Ingram, P. (2017). Asset ownership and incentives in early shareholder capitalism: Liverpool shipping in the eighteenth century. *Strategic Management Journal*, 38(4), 854-875.

Polidoro Jr, F. and Toh, P.K., 2011. Letting rivals come close or warding them off? The effects of substitution threat on imitation deterrence. *Academy of Management Journal*, 54(2), pp.369-392.

Kim, M., 2013. Many roads lead to Rome: Implications of geographic scope as a source of isolating mechanisms. *Journal of International Business Studies*, 44(9), pp.898-921.

### **Recommended readings:**

Hill, C. 1990, Cooperation, opportunism, and the invisible hand: Implications for transaction cost theory. *Academy of Management Review*, 15: 500-513.

Reed, R. and DeFillippi, R.J., 1990. Causal ambiguity, barriers to imitation, and sustainable competitive advantage. *Academy of management review*, 15(1), pp.88-102.

Anderson, E., & Gatignon, H. (1986). Modes of foreign entry: A transaction cost analysis and propositions. *Journal of International Business Studies*, 17(3), 1-26.

Williamson, O. E. (1985). The economics of organization: The transaction cost approach. *American Journal of Sociology*, 87(3), 548-577.

Klein, B., Crawford, R. G., & Alchian A. A. (1978). Vertical integration, appropriable rents, and the competitive contracting process. *Journal of Law and Economics*, 21(2), 297-326.

Alchian, A. A., & Demsetz, H. (1972). Production, information costs, and economic organization. *American Economic Review*, 62(5), 777-795.

Mahoney, J. T. (1992). The choice of organizational form: Vertical financial ownership versus other methods of vertical integration. *Strategic Management Journal*, 13(8), 559-584.

Ouchi, W. G. (1980). Markets, bureaucracies, and clans. *Administrative Science Quarterly*, 25(1), 129-141.

Buckley, P., & M. Casson (1998). Analyzing foreign market entry strategies: Extending the internalization approach. *Journal of International Business Studies*, 29(3), 539-562.

Teece, D. J. (1986). Transactions cost economics and the multinational enterprise: An assessment. *Journal of Economic Behavior & Organization*, 7(1), 21-45.

Chang, S., & Choi, U. (1988). Strategy, structure, and performance of Korean business group: A transactions cost approach, *Journal of Industrial Economics*, 37(2), 141-158.

- Hennart, J., & Park, Y-R. (1993). Greenfield vs. acquisition: The strategy of Japanese investors in the United States. *Management Science*, 39(9), 1054-1070.
- Hill, C., Hwang, P., & Kim W. C. (1990). An eclectic theory of the choice of international entry mode. *Strategic Management Journal*, 11(2), 117-128.
- Rugman, A., & Verbeke, A. (1992). A note on the transactional solution and the transaction cost theory of multinational strategic management. *Journal of International Business Studies*, 23(4), 761-771.
- Ito, K. (1995). Japanese spinoffs: Unexplored survival strategies. *Strategic Management Journal*, 16(6), 431-446.

### **Transaction cost economics – extensions**

- Bigelow, L., Nickerson, J. A., & Park, W. Y. (2019). When and how to shift gears: Dynamic trade-offs among adjustment, opportunity, and transaction costs in response to an innovation shock. *Strategic Management Journal* 40(3), 377-407.
- Anderson, E., & Gatignon, H. (1986). Modes of foreign entry: A transaction cost analysis and propositions. *Journal of International Business Studies*, 17(3), 1-26.
- Dyer, J. H. (1997). Effective interfirm collaboration: How firms minimize transaction costs and maximize transaction value. *Strategic Management Journal*, 18(4), 535-556.
- Hennart, J. F. (1988). A transaction costs theory of equity joint ventures. *Strategic Management Journal*, 9(4), 361-374.
- Hennart, J. F., & Park, Y. R. (1993). Greenfield vs. acquisition: The strategy of Japanese investors in the United States. *Management Science*, 39(9), 1054-1070.
- Jones, G. R., & Hill, C. W. (1988). Transaction cost analysis of strategy-structure choice. *Strategic Management Journal*, 9(2), 159-172.
- Anderson, E., & Schmittlein, D. C. (1984). Integration of the sales force: An empirical examination. *Rand Journal of Economics*, 15(3), 385-395.
- Walker, G., & Weber, D. (1987). A transaction cost approach to make-or-buy decisions. *Administrative Science Quarterly*, 29(3), 373-391.
- Masten, S. E., Meehan, Jr. J. W., & Snyder, E. A. (1991). The cost of organization. *Journal of Law, Economics and Organization*, 7(1), 1-25.
- Poppo, L. (1995). Influence activities and strategic coordination: two distinctions of internal and external markets. *Management Science*, 41(12), 1845-1859.

### **Beyond Transaction Cost Economics:**

- Carson, S. J., & John, G. (2013). A theoretical and empirical investigation of property rights sharing in outsourced research, development, and engineering relationships. *Strategic Management Journal*, 34(9), 1065-1085.

Shervani, T. A., Frazier, G., & Challagalla, G. (2007). The moderating influence of firm market power on the transaction cost economics model: an empirical test in a forward channel integration context. *Strategic Management Journal*, 28(6), 635-652.

Silverman, B. S., & Ingram, P. (2017). Asset ownership and incentives in early shareholder capitalism: Liverpool shipping in the eighteenth century. *Strategic Management Journal*, 38(4), 854-875.

### **How to write theory-based research articles (9/18/23)**

***Integrator: instructor***

Writing a good theory-based manuscript. What do we have to keep in mind?

- (1) How the topic is connected to existing theory (or theories),
- (2) What we already know about the relevant theory,
- (3) How what we know raises specific questions for which we do not yet have answers,
- (4) Why we need to know what we do not know (i.e., what are the implications of being in the dark about the specific relationships of interest), and
- (5) How this paper will help close the gap between what we know and do not know.

- From an anonymous reviewer

**Required reading: we will use this article to talk about the topic in class**

Lee, S.-H., Mun, H. J., & Park, K. M. (2015). When is dependence on other organizations burdensome? The effect of asymmetric dependence on internet firm failure. *Strategic Management Journal*, 36(13), 2058-2074.

**Additional readings:**

Barney, J. 2018. Editor's comments: Positioning a theory paper for publication. *Academy of Management Review*, 43(3): 345-348.

Lange, D., & Pfarrer, M. D. 2017. Editor's comments: Sense and structure – the core building blocks of an AMR article. *Academy of Management Review*, 42(3): 407-416

Bacharach, S.B., 1989. Organizational theories: Some criteria for evaluation. *Academy of Management Review*, 14(4), pp.496-515

Grant, A.M. & Pollock, T.G. (2011). Publishing in AMJ-Part 3: Setting the hook. *Academy of Management Journal*, 54(5), 873-879.

“Tips to Article-Writers” Ezra W. Zuckerman MIT Sloan School of Management February 6, 2008  
<https://mitsloan.mit.edu/shared/ods/documents/?PublicationDocumentID=7627>

**Industry and Competition (9/25/23)**

## ***Integrator:***

### **Basic Readings:**

Caves, R.E. (1980). Industrial organization, corporate strategy and structure. *Journal of Economic Literature*, 18(1), 64-92.

Porter, M. (1981). The contributions of industrial organization to strategic management. *Academy of Management Review*, 6(4), 609-620.

Porter, M. (1979). The structure within industries and companies' performance. *Review of Economics and Statistics*, 61(2), 214-227.

Caves, R., & Porter, M. (1977). From entry barriers to mobility barriers: Conjectural decisions and contrived deterrence to new competition. *Quarterly Journal of Economics*, 91(2), 241-262.

### **Required readings:**

Hanssens, D., & Johansson, J. (1991) Rivalry as synergy? The Japanese automobile companies' export expansion. *Journal of International Business Studies*, 22(3), 503-526.

Ito, K. (1997). Domestic competitive position and export strategy of Japanese manufacturing firms: 1971-1985. *Management Science*, 43(5), 610-622.

Sakakibara, M., & Porter, M. (2001). Competing at home to win abroad: evidence from Japanese industry, *Review of Economics and Statistics*, 83(2), 311-322.

Wang, R. & Shaver, M. 2014. Competition-driven repositioning. *Strategic Management Journal*, 35: 1585-1604.

Lee, S.H., Bach, S.B. and Baik, Y.S., 2011. The impact of IPOs on the values of directly competing incumbents. *Strategic Entrepreneurship Journal*, 5(2), pp.158-177.

### **Recommended Readings:**

Lang, L. H., & Stulz, R. (1992). Contagion and competitive intra-industry effects of bankruptcy announcements. *Journal of Financial Economics*, 32(1), 45-60.

Ren, C. R., Hu, Y., & Cui, T. H. (2019) Responses to rival exit: Product variety, market expansion, and preexisting market structure. *Strategic Management Journal*, 40(2), 253-276.

Lee, S.-H., Beamish, P., Lee, H., & Park, J. (2009). Strategic Choice during Economic Crisis: Domestic Market Position, Organizational Capabilities and Export Flexibility, *Journal of World Business*, 44(1) 1-15.

Yu, T., Sengul, M. and Lester, R.H., 2008. Misery loves company: The spread of negative impacts resulting from an organizational crisis. *Academy of Management Review*, 33(2), pp.452-472.

Scherer, F. M. (1980). The price and profit consequences of market structure. In *Industrial Market Structure and Economic Performance* (2<sup>nd</sup> ed.). Chicago, IL: Rand McNally. Chapter 9.

Martin, X., Swaminathan, A., & Mitchell, W. (1995). Organizational evolution in the interorganizational environment: Incentives and constraints on international expansion strategy. *Administrative Science Quarterly*, 43(3), 566-601.

Teece, D. (1985). Multinational enterprise, internal governance, and industrial organization. *American Economic Review*, 75(2), 233-238.

Caves R. (1998). Industrial organization and new findings on the turnover and mobility of firms. *Journal of Economic Literature* 36(4), 1947-1982.

Knickerbocker, F. (1973). *Oligopolistic reaction and the multinational enterprise*. Cambridge, MA: Harvard University Press.

Mascarenhas, B. (1992). Order of entry and performance in international markets. *Strategic Management Journal*, 13(7), 499-510.

Hennart, J., & Park, Y.-R. (1994). Location, governance, and strategic determinants of Japanese manufacturing investments in the United States. *Strategic Management Journal*, 15(6), 419-436.

Martin, X., Mitchell, W., & Swaminathan, A. (1995). Recreating and extending Japanese automobile links in North America. *Strategic management Journal*, 16(8), 589-619.

Nohria, N., & Garcia-Pont, C. (1991). Global strategic linkages and industry structure. *Strategic Management Journal*, 12(S1), 105-124.

Tieying, Y., Subramaniam, M., & Cannella, Jr., A. A. (2009). Rivalry deterrence in international markets: Contingencies governing the mutual forbearance hypothesis. *Academy of Management Journal*, 52(1), 127-147.

### **Research proposal due (10/2/23)**

Presentation and discussion on the research proposals will take place during class.  
(bring PPT slides and 2-3 page single spaced proposal)

### **Reputation spillover (10/9/23)**

***Integrator:***

#### **Required readings:**

Zavyalova, A., Pfarrer, M. D., Reger, R. K., & Shapiro, D. L. 2012. Managing the message: The effects of firm actions and industry spillovers on media coverage following wrongdoing. *Academy of Management Journal*, 55(5): 1079-101.

Barnett, M. L. & King, A. A. 2008. Good fences make good neighbors: A longitudinal analysis of an industry self-regulatory institution. *Academy of Management Journal*, 51(6): 1150-70.

Piazza, A. & Jourdan, J. 2018. When the dust settles: The consequences of scandals for organizational competition. *Academy of Management Journal*, 61(1): 165-90.

Paruchuri, S. & Misangyi, V. F. 2015. Investor perceptions of financial misconduct: The heterogeneous contamination of bystander firms. *Academy of Management Journal*, 58(1): 169-94.

Zhou, N. and Wang, H., 2020. Foreign subsidiary CSR as a buffer against parent firm reputation risk. *Journal of International Business Studies*, 51, pp.1256-1282.

Naumovska, I. & Lavie, D. 2021. When an industry peer is accused of financial misconduct: Stigma versus competition effects on non-accused firms. *Administrative Science Quarterly*, 66(4), pp.1130-1172.

### **Recommended Readings:**

McDonnell, M.-H. & King, B. G. 2018. Order in the court: How firm status and reputation shape the outcomes of employment discrimination suits. *American Sociological Review*, 83(1): 61-87

Bu, J., Zhao, E.Y., Li, K.J. and Li, J.M., 2022. Multilevel optimal distinctiveness: Examining the impact of within-and between-organization distinctiveness of product design on market performance. *Strategic Management Journal*, 43(9), pp.1793-1822.

Naumovska, I. and Zajac, E.J., 2022. How inductive and deductive generalization shape the guilt-by-association phenomenon among firms: Theory and evidence. *Organization Science*, 33(1), pp.373-392.

Paruchuri, S., Pollock, T. G., & Kumar, N. 2019. On the tip of the brain: Understanding when negative reputational events can have positive reputation spillovers, and for how long. *Strategic Management Journal*, 40(12): 1965-83.

Paruchuri, S., Han, J.H. and Prakash, P., 2021. Salient expectations? Incongruence across capability and integrity signals and investor reactions to organizational misconduct. *Academy of Management Journal*, 64(2), pp.562-586.

Vergne, J. P. (2012). Stigmatized categories and public disapproval of organizations: A mixed-methods study of the global arms industry, 1996–2007. *Academy of Management Journal*, 55(5), 1027-1052.

Kang, E. 2008. Director interlocks and spillover effects of reputational penalties from financial reporting fraud. *Academy of Management Journal*, 51(3): 537-55.

Jonsson, S., Greve, H. R., & Fujiwara-Greve, T. 2009. Undeserved loss: The spread of legitimacy loss to innocent organizations in response to reported corporate deviance. *Administrative Science Quarterly*, 54(2): 195-228.

Shi, W., Wajda, D. and Aguilera, R.V., 2022. Interorganizational spillover: A review and a proposal for future research. *Journal of Management*, 48(1), pp.185-210.

### **Sunk cost and beyond (10/16/23)**

#### ***Integrator:***

#### **Required readings:**

Arkes, H.R. and Blumer, C., 1985. The psychology of sunk cost. *Organizational behavior and human decision processes*, 35(1), pp.124-140.

Choquette, E., 2019. Import-based market experience and firms' exit from export markets. *Journal of International Business Studies*, 50, pp.423-449.

Hsieh, K.Y., Tsai, W. and Chen, M.J., 2015. If they can do it, why not us? Competitors as reference points for justifying escalation of commitment. *Academy of Management Journal*, 58(1), pp.38-58.

Bernini, M., Du, J. and Love, J.H., 2016. Explaining intermittent exporting: Exit and conditional re-entry in export markets. *Journal of International Business Studies*, 47, pp.1058-1076.

Zeng, Y., Shenkar, O., Lee, S.-H., & Song, S. (2013). Cultural differences, MNE learning abilities, and the effect of experience on subsidiary mortality in a dissimilar culture: Evidence from Korean MNEs. *Journal of International Business Studies*, 44(1), 42-65.

#### **Recommended Readings:**

O'Brien, J. and Folta, T., 2009. Sunk costs, uncertainty and market exit: A real options perspective. *Industrial and Corporate Change*, 18(5), pp.807-833.

Sharp, D.J. and Salter, S.B., 1997. Project escalation and sunk costs: A test of the international generalizability of agency and prospect theories. *Journal of International Business Studies*, 28, pp.101-121.

Long, X., Nasiry, J. and Wu, Y., 2020. A behavioral study on abandonment decisions in multistage projects. *Management Science*, 66(5), pp.1999-2016.

Raffiee, J. and Feng, J., 2014. Should I quit my day job?: A hybrid path to entrepreneurship. *Academy of management journal*, 57(4), pp.936-963.

Elfenbein, D.W. and Knott, A.M., 2015. Time to exit: Rational, behavioral, and organizational delays. *Strategic Management Journal*, 36(7), pp.957-975.

Grenadier, S.R., Malenko, A. and Strebulaev, I.A., 2014. Investment Busts, Reputation, and the Temptation to Blend in with the Crowd. *Journal of Financial Economics*, 111(1), pp.137-157.

Malhotra, D. and Gino, F., 2011. The pursuit of power corrupts: How investing in outside options motivates opportunism in relationships. *Administrative Science Quarterly*, 56(4), pp.559-592.

Guler, I., 2007. Throwing good money after bad? Political and institutional influences on sequential decision making in the venture capital industry. *Administrative science quarterly*, 52(2), pp.248-285.

Biyalogorsky, E., Boulding, W. and Staelin, R., 2006. Stuck in the past: Why managers persist with new product failures. *Journal of Marketing*, 70(2), pp.108-121.

Thaler, R.H. and Johnson, E.J., 1990. Gambling with the house money and trying to break even: The effects of prior outcomes on risky choice. *Management science*, 36(6), pp.643-660.

**10/23/23 no class - use this week to catch up with your research paper**

**10/30/23 – individual meeting on class project (meeting time will be arranged)**

### **Risk, uncertainty and investment (11/6/23)**

**Integrator:** \_\_\_\_\_

#### **Required readings:**

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#### **Integrator:**

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### **Using survey data in corruption research**

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Desai, R.M. and Olofsgård, A., 2011. The costs of political influence: Firm-level evidence from developing countries. *Quarterly Journal of Political Science*, 6(2), pp.137-178.

### **No class (11/20/23) – Fall break**

### **Research Project presentation (11/27/23)**

### **Research project presentation I (12/4/23)**

### **Optional additional reading on failure**

McGrath, R. G. (1999). Falling forward: Real options reasoning and entrepreneurial failure. *Academy of Management Review* 24(1), 13-30.

- Lee, S.H., Yamakawa, Y., Peng, M.W. and Barney, J.B., 2011. How do bankruptcy laws affect entrepreneurship development around the world?. *Journal of Business Venturing*, 26(5), pp.505-520.
- Gimeno, J., Folta, T.B., Cooper, A.C., & Woo, C.Y. (1997). Survival of the fittest? Entrepreneurial human capital and the persistence of underperforming firms. *Administrative Science Quarterly*, 42(4), 750-783.
- Cumming, D. and Zhang, M., 2023. Bankruptcy law and angel investors around the world. *Journal of International Business Studies*, pp.1-22.
- Lee, S.-H., Peng, M. W., & Barney, J. (2007). Bankruptcy law and entrepreneurship development: A real options perspective. *Academy of Management Review* 32(1), 257-272.
- Belderbos, R., & Zou, J. (2009). Real options and foreign affiliate divestments: A portfolio perspective. *Journal of International Business Studies*, 40(4), 600- 620.
- Elfenbein, D.W., Knott, A.M. and Croson, R., 2017. Equity stakes and exit: An experimental approach to decomposing exit delay. *Strategic Management Journal*, 38(2), pp.278-299.
- Amburgey, T.L., Kelly, D., & Barnett, W.P. (1993). Resetting the clock: The dynamics of organizational change and failure. *Administrative Science Quarterly*, 38(1), 51-73.
- DeTienne, D.R., Shepherd, D.A., & De Castro, J.O. (2008). The fallacy of “only the strong survive”: The effects of extrinsic motivation on the persistence decisions for under-performing firms. *Journal of Business Venturing*, 23(5), 528-546.
- Henderson, A.D. (1999). Firm strategy and age dependence: A contingent view of the liabilities of newness, adolescence, and obsolescence. *Administrative Science Quarterly*, 44(2), 281-314.
- Romanelli, E. (1989). Environments and strategies of organization start-up: Effects on early survival. *Administrative Science Quarterly*, 34(3), 369-387.
- Shepherd, D.A. (2003). Learning from business failure: Propositions of grief recovery for the selfemployed. *Academy of Management Review*, 28(2), 318-328.
- Wennberg, K., Wiklund, J., DeTienne, D.R., & Cardon, M.S. (2010). Reconceptualizing entrepreneurial exit: Divergent exit routes and their drivers. *Journal of Business Venturing*, 25(4), 361-375.
- Bruderl, J., & Schussler, R. (1990). Organizational mortality: The liabilities of newness and adolescence. *Administrative Science Quarterly*, 35(3), 530-547.
- DeTienne, D.R. (2010). Entrepreneurial exit as a critical component of the entrepreneurial process: Theoretical development. *Journal of Business Venturing*, 25(2), 203-215.
- Hambrick, D.C., & D’Aveni, R.A. (1988). Large corporate failures as downward spirals. *Administrative Science Quarterly*, 33(1), 1-23.

Weitzel, W. & Jonsson, E. (1989). Decline in organizations: A literature integration and extension. *Administrative Science Quarterly*, 34(1), 91-109.

Berry, H., 2013. When do firms divest foreign operations?. *Organization Science*, 24(1), pp.246-261.

## Clear Writing Recipes: Advice From AMR Reviewers

### *From 2017 AMR Theory Development Workshop*

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#### **The Hook**

*“Sell the unique, “value-added” contribution early, to keep the reader's attention and focus. I like the last line of the first paragraph to provide a brief preview of the intended contribution, with a more comprehensive statement of the intended contribution somewhere within the first 3 pages.”*

*“Once you have specified the stream of literature that you're contributing to in your first paragraph, and articulated what problem(s) you're trying to solve in that literature in your second paragraph, you should use the third paragraph to answer the question: How will you solve the problem(s) that you have identified? Give a brief overview of how your approach differs from earlier approaches, how it works, and why it is superior. Give the bare essentials of the answers to these questions, and nothing more. Then, immediately end the introduction, and move directly to your contribution.”*

*“If an author can write 3-7 solid paragraphs at the very beginning of the manuscript, they are giving both the reader and themselves a nice roadmap to what follows.... [T]hose paragraphs can work as a standalone...[i.e.] a short précis that the author can share with lots of people for informal feedback (is it a compelling reason to write paper? Have I hooked your attention?) before they make a commitment to the full paper.”*

*“Write out the first five paragraphs (FFP) 100 times if that is what it takes to hook the reader.”*

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#### **Creating Coherence and Cohesion**

*“Read the topic sentences of each paragraph alone, and see if you are developing to a point in each section illustrative of the ideas you want to develop. Everything should be driving me to an unavoidable conclusion in concert with your model or theory. Then make sure all the sentences under each topic sentence drive to explain and expand on that topic sentence.”*

*“Write the entire storyline as bullets on one page, ensuring that the different key terms and relations cover the main aspects and are related in a logical, sequential way. Afterwards, refine the key terms and relations to come with a more fine-grained structure.”*

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#### **Getting to the Core**

*“One exercise that I do as an author (after I have written the first draft) is to go back and justify the need for each and every one of the para[graphs] that I have written. This forces me to make connections between the different ideas in the paper and develop a good map of the overall landscape – which then helps the reader and makes it easy for them to follow my (author's) thought process.”*

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### **Organizing Your Manuscript**

*“Explicitly structure your message (using subheadings, for example) to help the reader get the point and keep the point in mind while reading the paper. (Think about subheading structure as an outline for the intended contribution -- a good tight logical outline of the argument.)”*

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- Ashkanasy, N. M. (2011). Advancing theory: More than just “gap filling.” *Journal of Organizational Behavior*, 32(6), 819-821.
- Barney, J. B. 2018. Editor’s Comments: Positioning a Theory Paper for Publication. *Academy of Management Review*, 43(3), 1-4.
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- Dane, E. (2011). Changing the tune of academic writing: Muting cognitive entrenchment. *Journal of Management Inquiry*, 20(3), 332-336.
- Smithey Fulmer, I. (2012). Editors’s comments: The craft of writing theory articles: Variety and similarity in “AMR”. *Academy of Management Review*, 37(3), 327-331.
- Grant, A. M. & Pollock, T. G. (2011). Publishing in *AMJ* - part 3: Setting the hook. *Academy of Management Journal*, 54(5), 873-879.
- Gunning, R. (1968). *The technique of clear writing* (revised edition). New York: McGraw Hill.
- Hale, C. (1999). *Sin and syntax: How to craft wickedly effective prose*. New York: Three Rivers Press.
- Hollenbeck, J. R. (2008). The role of editing in knowledge development: Consensus shifting and consensus creation. In Y. Baruch, A. M, Konrad, H. Aguinis, and W. H. Starbuck (Ed.), *Opening the black box of editorship*. (pp. 16-26). San Francisco, CA: Jossey Bass.
- Huff, A. S. (1999). *Writing for scholarly publication*. Thousand Oaks: Sage.
- Lanham R. A. (2007). *Revising prose* (5<sup>th</sup> ed.). New York: Pearson/Longman.
- Locke, K. & Golden-Biddle, K. (1997). Constructing opportunities for contribution: Structuring intertextual coherence and “problematizing” in organizational studies. *Academy of Management Journal*, 40(5), 1023-1062.
- Pollock, T. & Bono, J. (2013). From the Editors: Being Scherherazade: The importance of storytelling in academic writing. *Academy of Management Journal*, 56(3), 629-634.
- Ragins, B. R. (2012). Reflections on the craft of clear writing. *Academy of Management Review*, 37(4), 493-501
- Silvia, P. J. (2007). *How to write a lot: A practical guide to productive academic writing*. Washington DC: American Psychological Association.
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- Suddaby, R. (2010). Editor’s comments: Construct clarity in theories of management and organization. *Academy of Management Review*, 35(3), 346-357.
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- Williams, J. M. & Colomb, G. G. (2010). *Style: Lessons in clarity and grace* (10<sup>th</sup> ed.) Boston:

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Zinsser, W. (2006). *On writing well: The classic guide to writing nonfiction* (7<sup>th</sup> ed.). New York: Harper Collins.

#### Recommended readings:

Colquitt, J.A. & George, G. (2011). Publishing in AMJ-Part 1: Topic choice. *Academy of Management Journal*, 54(3), 432-435.

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