

OB 7306: MACRO-ORGANIZATIONAL EMPIRICAL INVESTIGATION
Spring, 2020

Instructor: Dr. Cuili QIAN
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Meeting time: Thursdays from 10:00am to 12:45pm
Office hours: by appointment (email)

Course Description

This course is a Ph.D. seminar on the process of empirical research on organizations. The course will take a "hands-on" approach to the research process. It will cover the formulation of a research question; the development and application of theory leading to the construction of models and the formulation of hypotheses; the design of a study; identification of data sources and the collection of data; computer analysis of data to test hypotheses; and the presentation of the study in a research paper. Students will go through each of the above steps during the course, leading to the completion of an empirical research paper by the end of the semester. The research papers will be presented to the class at the final class meeting in the format of a presentation at an academic conference, such as the Academy of Management annual meeting (15-20 minutes presentation followed by questions). Specifically, this course has three primary objectives:

1. To expose students to the mindset of empirical researchers – that is, to think about theoretical issues in empirical terms;
2. To teach students the theoretical and practical aspects of doing empirical research using large samples of organizations;
3. To give students an integrated overview of the research process, from posing a question to presenting the results of a study.

It is believed that doctoral students often learn research skills in a piecemeal fashion and may not get an integrated view of the research process – how the various research activities relate to one another and, in combination, to addressing a research question – until they have completed their dissertations. Students are expected to benefit from an overview of the research process earlier in their programs.

To achieve these objectives, class time will be spent discussing each stage of the research process and addressing problems encountered by individual students at various stages of the process. Emphasis will be given to linear models, archival data, and longitudinal research, and we will also cover the most recent developments in the field of management. There is a list of required readings, and the students also are expected to read on their own to increase their knowledge in the field. In addition, students will be referred to additional literature appropriate to their problems; practical considerations and learning-by-doing will be stressed.

Textbooks (optional)

Depending on your knowledge on statistics, you may consider one of the following as the main textbook and the other as supplementary.

Wooldridge, J. M. 2010. *Econometric Analysis of Cross Section and Panel Data* (2nd ed.). The MIT Press, Cambridge, Massachusetts, London, England

Stevens, J. 2002. *Applied Multivariate Statistics for the Social Sciences* (4th ed.). Mahwah, N.J.: Lawrence Erlbaum Associates.

Green, W. H. 2012. *Economic Analysis* (7th ed.) Pearson Education Limited.

Course Structure

This course is organized as a seminar. This means you are primarily responsible for discussing the readings. Each class will be generally divided into two main sessions:

1. We will have theoretical/statistical discussion about the research articles assigned for the topic of that week.
2. In Session 2, we will discuss some important but relatively narrow and specific issues in procedure and methodology. This may involve concepts that are difficult to understand at this moment, yet you may find them very useful in the future. This may also involve the discussion about research progress you have and the empirical difficulties you encounter. Students are highly encouraged to take the opportunity to further improve their research design.

Students are expected to do all the required readings for each session and to be prepared to actively discuss and comment on the readings. When reading the assigned articles, you will find both good points and flaws, or areas for improvement. Therefore, each student will be required to write a brief summary of articles and propose a list of issues for class discussion. The following sets of questions should serve as a guide to your preparation of each reading:

- What questions are the authors trying to address?
- What are the real contributions of each article? Why would these articles be accepted by top-ranked journals?
- How is the research question approached? What is the design of the research? Is the methodology appropriate?
- Do you find any problem with these articles?
- Do they use the correct analysis methods? Why or why not?
- Are the conclusions of the empirical analyses valid? Why or why not?
- How can these articles be improved if you were to conduct the studies again?

Evaluation

- Class Participation: **30%**
- Reading reports: **10%**

- Research Paper: **50%**
- Oral presentation: **10%**

The evaluation for this course is carried out by four forms of assessment: in-class participation, article critiques, a research paper, and a final presentation. The ‘participation in-class discussions’ segment is self-explanatory. Students are expected to be prepared to discuss all required readings, and they are expected to actively engage in the discussion in each class.

To ensure that students would read the assigned articles in detail, each student has to hand in one critique of the assigned empirical studies for each class (except for the first, sixth, tenth, fourteenth, and the last two classes). A total of 10 critiques have to be submitted for the whole course. Students should submit their reports at the beginning of the class for the topic being discussed. For each report, student should write up a one-page (12 fonts, single line spacing) critique of one of the assigned empirical papers. Students are free to pick any one of the papers of each topic to write on. Students can use the above questions as guidelines, but are welcome to highlight any methodological concerns from these papers. This is the basis of a constructive class discussion for each topic. Do not just copy from the abstract/summary/conclusion of the paper. A critical review is expected.

A fully developed research paper must be submitted at the beginning of our final class. This paper should identify a research question, review the pertinent literature, propose a set of testable hypotheses, apply appropriate methods to test the hypotheses, and present the empirical results. **A one-page proposal outlining the ideas for the research paper and the intended research design must be submitted by the start of the second-class session (January 23rd).**

It is intended that this paper, suitably revised, can be submitted for publication or for presentation at an academic meeting, or that the paper will serve as a pilot study for a larger research effort such as a dissertation or dissertation essay. Students will choose a research question early in the course; this will form the basis for their work throughout the semester. Starting with the formulation of a research question, they will carry out each of the steps (e.g., study design, data collection, data analysis) necessary to produce an empirical research paper addressing the issues raised by the research question.

Academic Dishonesty

Work submitted for credit should be the work of the class member alone, with the following exceptions: Class members may consult library materials, web resources, and other informational sources; they may discuss research designs, data sources, and statistical analysis; and they may discuss class presentations. However, they may not receive the assistance of others in writing papers. Forms of academic dishonesty relevant for this course include falsifying data and analysis; using text without proper attribution; unauthorized collaboration with another person in preparing the term paper; and submitting a substantial portion of the same academic work more than once (for example, from papers for other courses) without authorization from the instructor. Students found responsible for academic

dishonesty will, at a minimum, receive a zero for the affected course component. Cheating, plagiarism, and collusion are expressly prohibited by UTD (see <http://www.utdallas.edu/deanofstudents/dishonesty/>).

UT-Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus. Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

The descriptions and timelines contained in this syllabus are subject to change due to unforeseen circumstances. Changes are at the discretion of the Professor.

Course Outline

Part 1: General Issues

Week 1 (1.16) Introduction; Review of Development of Theory, Models, and Hypotheses (BPS 7302 Research Methods)

- Bettis, R., Gambardella, A., Helfat, C., & Mitchell, W. 2014. Quantitative empirical analysis in strategic management. *Strategic Management Journal*, 35: 949–953.
- Misangyi, V. F., Elms, H., Greckhamer, T., & LePine, J. A. 2006. A new perspective on a fundamental debate: A multilevel approach to industry, corporate, and business unit effects. *Strategic Management Journal*, 27: 571-590.
- Scandura, T. A., & Williams, E. A. 2000. Research methodology in management: Current practices, trends, and implications for future research. *Academy of Management Journal*, 43: 1248-1254.
- Shook, C. L., Ketchen, D. J., Cycyota, C.S., & Crockett, D. 2003. Data analytic trends and training in strategic management. *Strategic Management Journal*, 24: 1231-1237.

Week 2 (1.23) Data Collection, Analysis, and Hypothesis Testing: Regression Analysis (linear): Moderation + Mediation + More

- Aguinis, H., Beaty, J. C., Boik, R. J., & Pierce, C. A. 2005. Effect size and power in assessing moderating effects of categorical variables using multiple regression: A 30-year review. *Journal of Applied Psychology*, 90: 94-107.
- Boyd, B. K., Haynes, K. T., Hitt, M. A., Bergh, D. D., & Ketchen, D. J. 2012. Contingency models in strategic management: Use, disuse, or misuse? *Journal of Management*, 38: 278-313.
- Muller, D., Judd, C. M., & Yzerbyt, V. Y. 2005. When moderation is mediated and mediation is moderated. *Journal of Personality and Social Psychology*, 89: 852-863.
- Tang, Y., Qian, C., Chen, G., & Shen, R. 2015 (equal contribution). How executive hubris affects corporate social (ir)responsibility. *Strategic Management Journal*, 36: 1338-1357.

Assignment: Discussion about phenomenon/phenomena you are interested in studying and why other management scholars would be interested in your phenomena.

Week 3 (1.30) Data Collection, Analysis, and Hypothesis Testing: Regression Analysis (non-linear): Moderation + Mediation

- Wiersema, M. F., & Bowen, H. P. 2009. The use of limited dependent variable techniques in strategy research: Issues and methods. *Strategic Management Journal*, 30: 679-692.
- Hoetker, G. 2007. The use of logit and probit models in strategic management research: critical issues. *Strategic Management Journal*, 28: 215-235.
- Zelner, B. A. 2009. Using simulation to interpret results from logit, probit, and other nonlinear models. *Strategic Management Journal*, 30: 1335-1348.
- Connelly, B. L., Shi, W., & Zyung, J. 2016. Managerial response to constitutional constraints on shareholder power. *Strategic Management Journal*, 38: 1499-1517.
- Marquis, C. & Qian, C. 2014. Stakeholder legitimacy and corporate social responsibility reporting in China. *Organization Science*, 25: 127-148.
- Li, J. T., Qian, C., & Yao, F. K. 2015 (equal contribution). Confidence in learning: Inter- and intra-organizational learning in foreign market entry decisions. *Strategic Management Journal*, 36: 918-929.
- Tekleab, A. G., Takeuchi, R., & Taylor, M. S. 2005. Extending the chain of relationships among organizational justice, social exchange, and employee reactions: The role of contract violations. *Academy of Management Journal*, 48: 146-157.

Assignment: Discussion about phenomenon/phenomena you are interested in studying and why other management scholars would be interested in your phenomena.

Week 4 (2.06) Data Collection, Analysis, and Hypothesis Testing: Survey + Archival (Guest speaker: Junfeng Wu)

- Hinkin, T. R. 1998. A brief tutorial on the development of measures for use in survey questionnaires. *Organizational Research Methods*, 1: 104-121.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. 2003. Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88: 879-903.
- Schwarz, N. 1999. Self-reports: How the questions shape the answers. *American Psychologist*, 54: 93-105.
- Chen, J., & Nadkarni, S. 2017. It's about time! CEOs' temporal dispositions, temporal leadership, and corporate entrepreneurship. *Administrative Science Quarterly*, 62: 31-66.
- Ou, A. Y., Tsui, A. S., Kinicki, A. J., Waldman, D. A., Xiao, Z., & Song, L. J. 2014. Humble chief executive officers' connections to top management team integration and middle managers' responses. *Administrative Science Quarterly*, 59: 34-72.
- Qian, C., Cao, Q., & Takeuchi, R. 2013. TMT diversity, conflict, and organizational innovation: The moderating roles of environment. *Strategic Management Journal*, 34: 110-120.
- Westphal, J. D., & Graebner, M. E. 2010. A matter of appearances: How corporate leaders manage the impressions of financial analysts about the conduct of their boards. *Academy of Management Journal*, 53: 15-44.

Optional reading:

- Cycota, C. S. & Harrison, D. A. 2006. What (not) to expect when surveying executives: A meta-analysis of top manager response rates and techniques over time. *Organizational Research Methods*, 9: 133-160.

Assignment: What are your hypotheses?

Week 5 (2.13) Data Collection, Hypothesis Testing, and Data Analysis: Measurement Issue:

- Boyd, B. K., Gove, S., & Hitt, M. A. 2005. Construct measurement in strategic management research: Illusion or reality? *Strategic Management Journal*, 26: 239-257.
- Certo, S. T., Withers, M. C., & Semadeni, M. 2017. A tale of two effects: Using longitudinal data to compare within- and between-firm effects. *Strategic Management Journal*, 38: 1536-1556.

Assignment: Where to get the data to test the hypotheses?

Week 6 (2.20) Data Collection, Hypothesis Testing, and Data Analysis: Meta-analysis (Guest speaker: Dr. Riki Takeuchi)

- Bergh, D. D., Aguinis, H., Heavey, C., Ketchen, D. J., Boyd, B. K., Su, P., Lau, P., & Joo, H. In press. Using meta-analytic structural equation modeling to advance strategic management research: Guidelines and an empirical demonstration via the strategic leadership – performance relationship. *Strategic Management Journal*.
- Carney, M., Gedajlovic, E. R., Heugens, P. P. M. A. R., Van Essen, M., et al. 2011. Business group affiliation, performance, context, and strategy: A meta-analysis. *Academy of Management Journal*, 54: 437-460.
- Heugens, P. P. M. A. R. & Lander, M. W. 2009. Structure! Agency! (and other quarrels): A meta-analysis of institutional theories of organization. *Academy of Management Journal*, 52: 61-85.
- Jiang, K., Lepak, D., Hu, J., & Baer, J. 2012. How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55: 1264-1294.
- Eden, D. 2002. Replication, meta-analysis, scientific progress, and AMJ's publication policy. *Academy of Management Journal*, 45: 841-846.

Assignment: Prepare for data collection and measures.

Week 7 (2.27) Data Collection, Hypothesis Testing, and Data Analysis: Laboratory + Field Experiments (Guest speaker: Sora Jun)

- Wilson, T. D., Aronson, E. & Carlsmith, K. 2010. The art of laboratory experimentation. In S. Fiske, D. Gilbert, & G. Lindzey (Eds.), *Handbook of social psychology* (Vol. 1, Chapter 2, pp. 51- 81). Hoboken, NJ: Wiley.
- Brewer, M.B. 2000. Research design and issues of validity. In H. Reis & C. Judd (Eds.), *The handbook of research methods in personality and social psychology* (Chapter 1, pp. 3-16). New York: Cambridge University Press.
- Spencer, S. J., Zanna, M. P., & Fong, G. T. 2005. Establishing a causal chain: Why experiments often are more effective in examining psychological processes than mediational analyses. *Journal of Personality and Social Psychology*, 89: 845-851.
- Chatman, J.A., & Flynn, F. J. 2005. Full-cycle organizational psychology research. *Organization Science*, 16(4): 434-447.
- Prentice, D.A., & Miller, D.T. 1992. When small effects are impressive. *Psychological Bulletin*, 112: 160-164.
- Mook, D.G. 1983. In defense of external invalidity. *American Psychologist*, 38: 379-387.
- Wilson, T.D. 2005. The message is the method: Celebrating and exporting the experimental

approach. *Psychological Inquiry*, 16: 185-193.

Assignment: Class Presentation of Project Designs

- Your research questions and theoretical frameworks
- Your hypotheses development
- What kind of data will you need to test your hypotheses

Part 2: Key Empirical Issues in Strategy

Week 8 (3. 05) Selection Bias and Endogeneity

- Hamilton, B. H., & Nickerson, J. A. 2003. Correcting for endogeneity bias in strategic management research. *Strategic Organization*, 1: 51-78.
- Certo, S. T., Busenbark, J. R., Woo, H., & Semadeni, M. 2016. Sample selection bias and Heckman models in strategic management research. *Strategic Management Journal*, 37: 2639-2657.
- Heckman, J. J. 1979. Sample selection bias as specification error. *Econometrica*, 47: 153-162.
- Shaver, J. M. 1998. Accounting for endogeneity when assessing strategy performance: Does entry mode choice affect FDI survival? *Management Science*, 44: 571-585.
- Campa, J. M. & Kedia, S. 2002. Explaining the diversification Discount. *Journal of Finance*, 57: 1731-1762.
- Himmelberg, C. P., Hubbard, G. & Palia, D. 1999. Understanding the determinants of managerial ownership and the link between ownership and performance. *Journal of Financial Economics*, 53: 353-384.
- Wang, H. & Qian, C. 2011. Corporate philanthropy and financial performance of Chinese firms: The roles of social expectations and political access. *Academy of Management Journal*, 54: 1159-1181.

Assignment: Prepare for data collection and measures.

Week 9 (3. 12) Addressing Endogeneity Issues: Instrumental Approach

- Anand, J., Mulotte, L., & Ren, C. R. 2016. Does experience imply learning? *Strategic Management Journal*, 37: 1395-1412.
- Qian, C., Crilly, D., Wang, K., & Wang, Z. Do leaders appreciate the. Under review at *Academy of Management Journal* (working paper).
- Semadeni, M., Withers, M. C., & Certo, S. T. 2014. The perils of endogeneity and instrumental variables in strategy research: Understanding through simulations. *Strategic Management Journal*, 35: 1070-1079.
- Derrien, F., & Kecskés, A. 2013. The real effects of financial shocks: Evidence from exogenous changes in analyst coverage. *Journal of Finance*, 68: 1407-1440.

Assignment: Data analysis.

Week 10 (3. 19) No Class – Spring Break (March 16-22)

Week 11 (3. 26) Addressing Endogeneity Issues: Identification Approach (DID)

- Chen, T., Harford, J., & Lin, C. 2015. Do analysts matter for governance? Evidence from natural experiments. *Journal of Financial Economics*, 115: 383-410.
- Stuart E.A., 2010. Matching methods for causal inference: A review and a look forward. *Statistical Science*, 25: 1-21.
- Flammer, C., & Kacperczyk, A. 2015. The impact of stakeholder orientation on innovation:

- Evidence from a natural experiment. *Management Science*, Articles in advance: 1-20.
- Chen, G., Luo, S., Tang, Y. & Tong, J. Y. 2015. Passing probation: Earnings management by interim CEOs and its effect on their promotion prospects. *Academy of Management Journal*, 58: 1389-1418.
- Zhao, Y., & Chen, K. H. 2009. Earnings quality effect of state antitakeover statutes. *Journal of Accounting Public Policy*, 28: 92-117.
- Bertrand, M., Duflo, E., & Mullainathan, S. 2004. How much should we trust differences-in-differences estimates? *Quarterly Journal of Economics*, 119: 249-275.

Assignment: Data analysis.

Week 12 (4. 02) Addressing Endogeneity Issues: Other Approaches (RDD + Policy Capturing + Simulation)

- Connelly, B. L., Ketchen, D. J., Gangloff, K. A., & Shook, C. L. 2016. Investor perceptions of CEO successor selection in the wake of integrity and competence failures: A policy capturing study. *Strategic Management Journal*, 37: 2135-2151.
- Flammer, C. 2015. Does corporate social responsibility lead to superior financial performance? A regression discontinuity approach. *Management Science*, 61: 2549-2568.
- Flammer, C., & Bansal, P. 2017. Does a long-term orientation create value? Evidence from a regression discontinuity. *Strategic Management Journal*, 38: 1827-1847.
- Qian, C., Wang, H., Geng, X., & Yu, Y. 2017. Rent appropriation of knowledge assets and firm performance in weak institutions. *Strategic Management Journal*, 38: 892-911.
- Harrison, R. J., Lin, Z., Carroll, G. L., & Carley, K. M. 2007. Simulation modeling in organizational and management research. *Academy of Management Review*, 32: 1229-1245.
- Macy, M. W., & Willer, R. 2002. From factors to actors: Computational sociology and agent based modeling. *Annual Review of Sociology*, 28: 143-166.

Assignment: Data analysis, finalize the results, and prepare writing.

Week 13 (4. 09) Publishing with non-U.S. Data

- George, G. 2012. From the editors: Publishing in AMJ for non-U.S. authors. *Academy of Management Journal*, 55: 1023-1026.
- Kozhikode, R. K., & Li, J. 2012. Political pluralism, public policies, and organizational choices: Banking branch expansion in India, 1948-2003. *Academy of Management Journal*, 55: 339-359.
- Zhang, J., & Luo, X. 2013. Dared to care: Organizational Vulnerability, institutional logics, and MNCs' social responsiveness in emerging markets. *Organization Science*, 24: 1742-1764.
- Wang, R., Wijen, F., & Heugens, P. P. M. A. R. 2017. Corporate environmental actions in China. *Strategic Management Journal*, forthcoming.

Assignment: Data analysis, finalize the results, and prepare writing.

Week 14 (4. 16) Ethical Issues in Empirical Research

- AMJ, Code of ethics. *Academy of Management Journal*, 54: 1299-1306.
- AMR, Editor's comments: Taking ethics seriously—a mission now more possible. *Academy of Management Review*, 28: 363-366.
- Bettis, R. A. 2010. The search for asterisks: compromised statistical tests and flawed theories. *Strategic Management Journal*, 33: 108-113.

Bettis, R., Ethiraj, S., Gambardella, A., Helfat, C., & Mitchell, W. 2016. Creating repeatable cumulative knowledge in strategic management: A call for broad and deep conversation among authors, referees, and editors. *Strategic Management Journal*, 37: 257-261.

Assignment: Finalize the results and prepare writing.

Week 15 (4. 23) Reading day

Week 16 (4. 30) Oral Presentations of Research Results