

# Preparation notes for Strategy comprehensive exam

## PHENOMENA

### Cognition

*Process Theories*

### Decision Making

*Process Theories*

### Innovation

*Process Theories*

*Content Theories*

### Entrepreneurship

*Process Theories*

*Content Theories*

### Strategy Formulation

*Process Theories*

### Strategic Change

*Process Theories*

**Inter-organizational Strategy**

Maybe this is not different from Alliances and Vertical Integration. Check this

***Process Theories*****Diversification****Acquisitions****Divestitures****Vertical Integration****Alliances****International Strategy****Emerging Economy Strategy****Organization Knowledge****Organization Learning****Human Capital****Competitive Dynamics**

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## **CONTENT THEORIES**

**Industrial Organization Economics**

**Resource Based View**

**Dynamic Capabilities**

**Evolutionary Perspectives**

**Transaction Cost Economics**

**Institutional Perspectives**

**Network Theory**

**Complexity Theory**

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## **PROCESS THEORIES**

## **CLASSICS**

**A Behavioral Theory of the Firm**

**The Theory of the Growth of the Firm**

**The External Control of Organizations**

**Managing the Resource Allocation Process**

**Strategy and Structure**

**Strategy, Structure and Process**

**The Concept of Corporate Strategy**

## INTERNATIONAL BUSINESS

### Clusters

What are clusters? The economic geography perspective: location of economic activity The strategic management perspective: the organization of economic activity

Two perspectives in economic geography von Thunen, The Isolated State, 1826 with rings of specialty Hotelling EJ 1929, sellers agglomerate and minimize differentiation (linear transportation costs incentivises this)

(Agglomeration) MAR Marshall 1920 increasing returns to scale due to supplier, Arrow 1962 RE studies, learning by doing, Romer JPE 1986 Knowledge returns increasing returns to scale (Agglomeration) Porter 1998 HBR, Knowledge is important (Urbanization) Jacobs 1969 inter-industry diversity

Bathelt et al., 2004 \* Lorenzen and Mudambi, JEG, 2013 Connectivity through personal or organizational

\*Shaver and Flyer, SMJ, 2000 \*Cantwell and Mudambi, GSJ, 2011 Strategic deterrence vs. physical attraction (social networks)

\*McCann and Mudambi, Environ Plann A, 2005 The table suggesting three different types of agglomerations and their properties Consequences for rents. For development of human capital. For the development of knowledge or know how.

For MNCs, there is the spatial footprint. Then there is the organizational architecture. You can look at antecedents and consequences.

### Global Value Chains

What are clusters? The economic geography perspective: location of economic activity The strategic management perspective: the organization of economic activity Mudambi, JEG, 2008, Mudambi van Venzin, JMS, 2010 Value capture and value migration

Disaggregation of the value chain into ever more specialized activities fine slicing (Mudambi,

2008) Trade in activities or tasks rather than goods

Orchestrators and Specializers Lower value in standardized (repetitive) activities (the middle of the smile). What will it take for R&D to become standardized. Or marketing for that matter?

More and more activities are getting standardized due to fine slicing \*Andersson, et al., J World Bus, 2015. When will the slice get too thin for sufficient value capture or for increased risk of failure?

***How does fine slicing work?*** Jacobides AMJ 2005

**Standardization of Information** Ubiquitous understanding of information (Arrow, 1974; Argyres, 1999) Ability to send information across boundaries (Monteverde, 1995; Malone et al 1987) Reduction of the Lemons problem (Akerlof, 1970; Barzel, 1982) Reduction of asset specificity (Klein, Crawford, & Alchian, 1978; Williamson, 1985)

**Simplification of Coordination** Reduction of asset specificity (Klein et al., 1978; Williamson, 1985) Ability to solve coordination problems across units (Puranam, Singh, & Zollo, 2003; Tushman & Nader, 1978) Ability to independently manage each segment of the value chain (Baldwin & Clark, 2000; Robertson & Langlois, 1995; Thompson, 1967)

## **INDUSTRIAL ORGANIZATION**

This entire course is on theories that help define the boundaries and the structure and conduct of firms.

**Transaction Cost Economics**

**Information Economics**

**Agency Theory**

**Property Rights Theory**

**New Institutional Economics**

**Implications to Managerial Decision Making**



## **ECONOMICS OF INNOVATION**

**The History and the Philosophy of Economic Growth**

**Economic History and Innovation**

**Methods in Studying Innovation**

**Institutions and Innovation**

**Diffusion of Innovation**

**Firm Effects in Innovation Research**

**Appropriating Value from Innovation**

**STRATEGIC NETWORKS AND ALLIANCES**

## METHODOLOGICAL CRITIQUE

**General Areas to Cover** In addition to commenting on the theoretical development of a submission and the technical correctness of the methodology, you should also consider the overall value-added contribution the submission offers. Does the submission pass the so what test? Also, consider whether the submission has any practical value, and comment on its implications for the practice community. **Specific Areas to Consider** The following points are some suggested criteria that might help you structure your evaluations of the submissions sent to you.

### Introduction

Is there a clear research question, with a solid motivation behind it? Is the research question interesting? After reading the introduction, did you find yourself motivated to read further?

### Theory

Does the submission contain a well-developed and articulated theoretical framework? Are the core concepts of the submission clearly defined? Is the logic behind the hypotheses persuasive? Is extant literature appropriately reflected in the submission, or are critical references missing? Do the hypotheses or propositions logically flow from the theory? Alternate explanation Problem with unit of analysis

### Method (for empirical papers)

Are the sample and variables appropriate for the hypotheses? Is the data collection method consistent with the analytical technique(s) applied? Does the study have internal and external validity? Are the analytical techniques appropriate for the theory and research questions and were they applied appropriately. Sample + data construct validity endogeneity survivor bias or sampling on the dependent variable choice of estimation model RELogit - Cannot do fixed effects. What and why? Zhou (2011) Use Logit when you have [0,1]

**Results (for empirical papers)**

Are the results reported in an understandable way? Are there alternative explanations for the results, and if so, are these adequately controlled for in the analyses? fixed effects choice of estimation model one-tail vs two-tail economic significance For count variable, use xlnb, poisson or negative binomial

**Contribution**

Does the submission make a value-added contribution to existing research? Does the submission stimulate thought or debate? Do the authors discuss the implications of the work for the scientific and practice community?

**Extensions****Coming up with ideas for research**

Following are some ideas

Literature says that X leads to Y. You work on demonstrating what leads to X.

Theory predicts outcome A. But you do not see outcome A, but an A'

Pit theory X against theory Y. Add contingency variables to explain.

Puzzling empirical fact (Ashwin: Why don't all factors that can affect a situation, actually do?)

### References

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