
Strategy Research on Chinese Enterprises

Course No : 02804140
Credit : 1
Prerequisite :

Program : Graduate
Instructor : Zhou Changhui
Semester : 2016 Spring

Instructor's resume/brief introduction(Within 500 words):

Professor Zhou specializes in strategy and international management. His research interest revolves around innovation and capability building in the context of China.



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TA's contact information::

NA

Office hour:

NA

Program Learning Goals and Objectives

- 1 **Learning Goal 1** Graduates will be thoroughly familiar with the domain and issues in the areas of strategy research, and will be trained to acquire skills and capabilities in academic dialogue and in theorizing strategic behaviors of interest. This is a foundation coursework for students to conduct academic research in the field.
 - 1.1 Objective 1 Graduates will have a deep understanding of basic knowledge and theories in their specialized area.
 - 1.2 Objective 2 Graduates will be familiar with the latest academic findings in their specialized area and will be knowledgeable about related areas.
 - 1.3 Objective 3 Graduates will be familiar with research methodologies in their specialized area, and will be able to apply them effectively.

Detailed Course Outline and Reading List:

Domain and Issues (B)

(2016 SPRING)

offered by Professor ZHOU Changhui

Week 7

Session 1 The Boundary of Firm - Diversification and Vertical Integration

Required readings:

- 1) Caves, R.E. and Bradburd, R.M. (1988), "The empirical determinants of vertical integration." *Journal of Economic Behavior and Organization*, 9(3): 265-279.
- 2) D'Aveni, R. A., & Ravenscraft, D. J. (1994), "Economies of integration versus bureaucracy costs: Does vertical integration improve performance?" *Academy of Management Journal*, 37(5): 1167-1206.
- 3) Afuah, Allan, 2001. Dynamic boundaries of the firm: Are firms better off being vertically integrated in the face of a technological change. *AMJ*, 44, 6, 1211-.
- 4) Safizadeh, M. H., Field, J. M., & Ritzman, L. P. 2008. Sourcing practices and boundaries of the firm in the financial services industry. *Strategic Management Journal*, 29(1): 79-91.
- 5) Rawley, Evan. 2010. Diversification, coordination costs, and organizational rigidity: Evidence from microdata. *SMJ*, 31(8), 873-891.
- 6) Markides, C. C. and Williamson, P. J. (1994), "Related diversification, core competences and corporate performance." *Strategic Management Journal*, 15(Special Issue): 149-165.
- 7) Montgomery, Cynthia A. (1994), "Corporate diversification.", *Journal of Economic Perspectives*, 8(3): 163-178.
- 8) Teece, D.J. (1980). "Economies of scope and the scope of the enterprise." *Journal of Economic Behavior and Organization*, 1: 223-247.
- 9) Rumelt, R.P. (1982), "Diversification strategy and profitability." *Strategic Management Journal*, 3(4): 359-369.
- 10) Varadarajan, P.R. and Ramanujam, V. (1989), "Research on corporate diversification: A review." *Strategic Management Journal*, 10(6): 523-551.
- 11) Pisano, G.P. (1990). "The R&D Boundaries of the Firm: An Empirical Analysis." *Administrative Science Quarterly*, 35(1): 153-176.
- 12) Lane, P. J., Cannella, J. A. A., & Lubatkin, M. H. 1998. Agency problems as antecedents to unrelated mergers and diversification: Amihud and Lev reconsidered. *Strategic Management Journal*, 19(6): 555.
- 13) Amihud, Y. and Lev, B. 1981. Risk Reduction as a Managerial Motive for Conglomerate Mergers. *The Bell Journal of Economics*, Vol. 12, 2, 605-617.
- 14) Amihud and Lev 1999 SMJ response to Lane et al.; Lane et al response (SMJ 1999); Boyd, Gove and Hitt (2005) follow-up.)
- 15) 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.

Additional Readings

- 16) Teece, D.J., Rumelt, R., Dosi, G., and Winter, S. (1994), "Understanding corporate coherence. " *Journal of Economic Behavior and Organization*, 23(1): 1-30.

- 17) Wernerfelt, B. and Montgomery, C.A. (1988), "Tobin's q and the importance of focus in firm performance." *American Economic Review*, 78(1): 246-250.
- 18) Klein, B. (1988), "Vertical integration as organizational ownership: The Fisher Body-General Motors relationship revisited." *Journal of Law, Economics, and Organization*, 4(1): 199-213.
- 19) Monteverde, K. and Teece D.J. (1982), "Supplier switching costs and vertical integration in the automobile industry," *Bell Journal of Economics*, 13:206-213.
- 20) Lang, Larry H.P., and Stulz, René M. (1994), "Tobin's q, corporate diversification, and firm performance." *Journal of Political Economy*, 102(6): 1248-1280.
- 21) Madhok. 1997. Cost, value and foreign market entry mode: the transaction and the firm. *SMJ*. Vol. 18, 39-61.
- 22) Nickerson, JA, Hamilton, BH, and Wada, T. 2001. Market position, resource profile, and governance, Linking Porter and Williamson in the context of international courier and small package services in Japan. *SMJ*, 22, 3, 251-
- 23) Williamson, O.E. 1981. *The Economics of Organization: The Transaction Cost Approach*. *American Journal of Sociology*, 87(3): 548-577.
- 24) Jones, G. & Hill, C.W.L. 1988. Transaction cost analysis of strategy-structure choice. *Strategic Management Journal*, 9: 159-172.
- 25) Williamson, O. E. 1999. Strategy research: Governance and competence perspectives. *Strategic Management Journal*, 20 (12): 1087-1108.
- 26) Other writings by O. Williamson.

Week 8

Session 2: Mergers and Acquisitions

Required readings:

- 1) Arora, A., Belenzon, S., & Rios, L. A. 2014. Make, buy, organize: The interplay between research, external knowledge, and firm structure. *Strategic Management Journal*, 35(3): 317-337.
- 2) Poppo and Zenger. 1998. Testing alternative theories of the firm: Transaction cost, knowledge-based, and measurement explanations for make-or-buy decisions in information services. *SMJ*, Vol. 19, 853-877.
- 3) Pfeffer, J. 1972. Merger as a response to organizational interdependence. *Administrative Science Quarterly*, Vol. 17, No. 3. (Sep., 1972), pp. 382-394.
- 4) Finkelstein, S. 1997. Interindustry merger patterns and resource dependence: A replication and extension of Pfeffer (1972). *SMJ*, 18, 10, 787.
- 5) Larsson, R. & Finkelstein, Sydney. (1999), "Integrating strategic, organizational, and human resource perspectives on merges and acquisitions: A case survey of synergy realization." *Organization Science*, 10(1): 1-26.
- 6) Puranam, Phanish & Srikanth, Kannan. (2007), "What they know vs. what they do: how acquirers leverage technology acquisitions." *Strategic Management Journal*, 28(8): 805-825.
- 7) Barney, J. B. (1988), "Returns to bidding firms in mergers and acquisitions: Reconsidering the relatedness hypothesis." *Strategic Management Journal*, 9 (Special Issue): 71-78.
- 8) Reuer, J., Tong, T., & Wu, C. (2012) "A signally theory of acquisition premiums: Evidence from IPO targets." *Academy of Management Journal*, 55(3): 667-683.
- 9) Kumar, M. V. S. 2006. The Value from Acquiring and Divesting a Joint Venture: A Real Options

Approach. *Strategic Management Journal*, 26(4): 321-331.

Additional Readings

- 10) Palmer, Donald, et al. (1995), "The friendly and predatory acquisition of large U.S. corporations in the 1960s." *American Sociological Review*, 60: 469-500.
- 11) Haunschild, Pamela R. (1994), "How much is that company worth? Interorganizational relationships, uncertainty, and acquisition premiums." *Administrative Science Quarterly*, 39(3): 391-411.

Week 9

Session 3: Strategic Alliances and Cooperative Strategy

Required readings:

- 1) Geyskens, I., Steenkamp, J.-B. E. M., & Kumar, N. 2006. Make, Buy, or Ally: A Transaction Cost Theory Meta-Analysis. *Academy of Management Journal*, 49(3): 519-543.
- 2) Villalonga, B., & McGahan, A. M. 2005. The Choice among Acquisitions, Alliances, and Divestitures. *Strategic Management Journal*, 26(13): 1183-1208.
- 3) Yong-Ybarra, C. and Wiersma, M. 1999. Strategic flexibility in information technology alliances: The influence of transaction cost economics and social exchange theory. *Organization Science*, 10, 4, 439-
- 4) Lavie, D., Hauschild, P.R., & Khanna, P. 2012. Organizational differences, relational mechanisms, and alliance performance. *SMJ* (33): 1453-1479.
- 5) Gulati, R. and Singh, H. (1998), "The architecture of cooperation: Managing coordination costs and appropriation concerns in strategic alliances." *Administrative Science Quarterly*, 43(4): 781-814.
- 6) Lavie, D., & Rosenkopf, L. (2006) "Balancing exploration and exploitation in alliance formation." *Academy of Management Journal*, 49(4): 797-818.
- 7) Khanna, Tarun, Gulati, Ranjay and Nohria, Nitin. (1998), "The dynamics of learning alliances: Competition, cooperation, and relative scope." *Strategic Management Journal*, 19(3): 193-210.
- 8) Schreiner, M., Kale, P. and Corsten, D. (2009), "What really is alliance management capability and how does it impact alliance outcomes and success." *Strategic Management Journal*, 30(13): 1395-1419.

Additional readings:

- 9) Luo, Yadong. (2008), "Procedural fairness and interfirm cooperation in strategic alliances." *Strategic Management Journal*, 29(1): 27-46.
- 10) Makino, Shige, Chan, Christine M., Isobe, Takehiko, Beamish, Paul W. (2007), "Intended and unintended termination of international joint ventures." *Strategic Management Journal*, 28(11): 1113-1132.
- 11) Mayer, K. J., & Salomon, R. M. 2006. Capabilities, Contractual Hazards, and Governance: Integrating Resource-Based and Transaction Cost Perspectives. *Academy of Management Journal*, 49(5): 942-959.
- 12) Carson SJ, Madhok A, Wu T. 2006. Uncertainty, Opportunism, and Governance: The Effects of Volatility and Ambiguity on Formal and Relational Contracting. *Academy of Management Journal*, 49 (5): 1058-1077
- 13) Lavie, D. (2007) Alliance portfolios and firm performance: A study of the value creation and appropriation in the US software industry. *Strategic Management Journal*, 28(12): 1187-1212.

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- 14) Wright, P. and Ferris, S. P. 1997. Agency Conflict and Corporate Strategy: The effect of divestment on corporate value. *Strategic Management Journal*, 18, 1, 77-83.
 - 15) Sundaramurthy, C. and Lewis, M. 2003. Control and collaboration: Paradox of governance. *AMR*. 28, 3, 397-415.

Week 10

Session 4: Competitive Dynamics

Required readings:

- 1) Steven A. Lippman, Richard P. Rumelt 2003. A bargaining perspective on resource advantage (p 1069-1086)
- 2) Barney JB. 1986. Strategic Factor Market: Expectations, Luck, and Business Strategy. *Management Science* 32: 1231-1241.
- 3) Peteraf. 1993. The cornerstones of competitive advantage: a resource-based view. *SMJ*. Vol. 14, 179-191.
- 4) Miller, Danny, and Chen, Ming-Jer. (1994), "Sources and consequences of competitive inertia: A study of the U.S. airline industry." *Administrative Science Quarterly*, 39(1): 1-23.
- 5) Chen, M. (1996). Competitor analysis and interfirm rivalry: Toward a theoretical integration. *Academy of Management Review*, 21(1): 100-134.
- 6) Baum, Joel A.C., and Korn, Helaine J. (1999), "Dynamics of dyadic competitive interaction." *Strategic Management Journal*, 20(3): 251-278.
- 7) Polidoro, F. Jr. and Toh, P.K. 2012. Letting rivals come close or warding them off? the effects of substitution threat on imitation deterrence. *AMJ* , Vol. 54 Issue 2, p369-392.
- 8) Ferrier, Walter J., Smith, Ken G. and Grimm, Curtis 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*, 42(4): 372-388.
- 9) Gimeno J. and Woo, C.Y. (1999), "Multimarket contact, economies of scope, and firm performance." *Academy of Management Journal*, 42(3):239-259.
- 10) Wang, R.D., & Shaver, M. (2013) Competition-driven repositioning. *Strategic Management Journal*, doi: 10.1002/smj.2167

Week 11

Session 5: Organizational Change

Required readings:

- 1) Gersick, C.G. (1991) Revolutionary change theories: A multilevel exploration of the punctuated equilibrium paradigm. *Academy of Management Review*, 16(1): 10-36.
- 2) Romanelli, E., & Tushman, M. L. 1994. Organizational transformation as punctuated equilibrium: An empirical test. *Academy of Management Journal*, 37(5): 1141-1166.
- 3) Siggelkow, N. (2002), "Evolution toward fit." *Administrative Science Quarterly*, 47(1): 125-159.
- 4) Haveman, H. (1992), "Between a rock and a hard place: Organizational change and performance under conditions of fundamental environmental transformation." *Administrative Science Quarterly*, 37:48-75.
- 5) Lavie, D. (2006) "Capability reconfiguration: An analysis of incumbent responses to technology



change.” *Academy of Management Review*, 31(1): 153-174.

- 6) Miller D., & Friesen, P. (1980) “Archetypes of Organizational Transition.” *Administrative Science Quarterly*, 25(2): 268-299.
- 7) Meyer, A.D. (1982) “Adapting to environmental jolts” *Administrative Science Quarterly*, 27: 515-537.
- 8) Boeker, W., & Goodstein, J. (1991) Organizational performance and adaptation: Effects of environment and performance in changes in board composition. *Academy of Management Journal*, 34(4): 805-826.
- 9) Rerup, C., & Feldman, M. S. 2011. Routines as a Source of Change in Organizational Schemata: The Role of Trial-and-Error Learning. *Academy of Management Journal*, 54(3): 577-610.
- 10) Crossan, M. M., & Berdrow, I. 2003. Organizational learning and strategic renewal. *Strategic Management Journal*, 24(11): 1087-1105.