PhD Management Class Topics in Strategy and Innovation 3: Basic Readings in Business (390031)

Instructor: Markus Reitzig
Assistant: Sandra Perger

Time: 10.05., 19.05., 26.05., 31.05., 09.06. (09:45 – 14:45)
Room: Digital

OVERVIEW

This course provides a PhD-level introduction to some of the most influential thinkers in social science whose ideas underlie research as it is conducted today across the various departments in a business school. The course focuses on the contributions of selected thinkers in the social sciences (economics, sociology, psychology, organization theory). All have made crucial contributions, and all seven of them are centered around Nobel Laureates. We review their seminal work and explore how others have extended this work to advance our understanding of firms and business.

The course has two major aims. First, it introduces students to some of the foundations of thinking about business firms. Because this course addresses much of the foundational literature, it is relevant across departments. If your concentration is not strategy or organizational behavior, this course should suffice for you to acquire an overall view of management research. If your concentration is strategy or organizational behavior, the course will complement more specialized courses.

Second, an important objective is that students learn to understand, compare, contrast, and, eventually, develop theories. Within each session, students will gain a sense of how individual research streams evolve. Across the 8 sessions, students will have a chance to synthesize distinct theoretical perspectives, understanding how they compete with, and complement, one another.

FORMAT

Each session, students will discuss three (sometimes maybe four papers) in great detail, while touching upon others in passing. Typically, the selection of core papers includes one or two seminal pieces, and one or two modern applications that build on the same intellectual framework. The light reading load presumes that students will read carefully and think about each paper prior to class. I have also listed a number of recommended, optional readings.

Each article discussion will be kicked off by one student’s presentation on the article (see also below, “DISCUSSION”). The presentation is supposed to last 25 mins. Over the course of the entirety of the eight classes we have together, I expect each student to present at least three different articles pertaining to three different sessions (and possibly more, depending on the number of participants). Prior to class, my assistant Sandra Perger will set up an electronic course forum on Moodle and send around a doodle link for students to self-select the articles they want to present (“first-come-
first-serve”). When you receive the doodle link, please pick three articles across three different sessions.

NOTE: I expect that all articles indexed with an asterisk (*) in the readings list below will be presented by one of you during class. Only once all articles with two asterisks (or at least one) have been allocated to one presenter, you may pick from the remaining articles for presentation to get to a total number of 3-4 presentations each over the entire course. I rely on self-coordination among all of you to ensure that this goal is achieved. You have your classmates’ emails. Kindly DO NOT cc me when you coordinate on who presents which article!

**WRITTEN REACTION** (20% of the grade): I will set a series of questions in advance of each session. These sessions will serve as guiding questions that presenters should address in their presentations. Expect to receive these questions about 24 hrs prior to class. All students must submit, by e-mail, a two-page response by 17:30 on the day AFTER class to these questions. In their response, students should also propose one question for further discussion that emerges from the prior readings. The objective of this assessment is to encourage students to engage with all the required readings and to understand and to synthesize theories.

**IN-CLASS PRESENTATION AND DISCUSSION** (40% of the grade): Students will take turns to lead the discussion on individual readings (see above). A good presentation/discussion will only briefly present the main ideas of the reading, and will focus on 1) the contribution(s) of the reading, 2) how it builds on or contrasts with other work in the session or prior sessions, and 3) suggestions for extensions to this work. Students will then pose reflective and provocative questions to their classmates, and they will address the questions I will additionally pose via email a day before you present.

**FINAL ASSIGNMENT** (40% of the grade, two short assignments and a final paper):
Students will submit the front end of a research paper, consisting of a clear research question, a theoretical framing for investigating that question, and a carefully considered research design. Students will generate ideas for this short paper on the basis of their written reactions and the class discussions during the first five sessions. Before submitting the final paper, students will submit 1) a research question, and subsequently 2) a literature overview in the final session, so that they can receive early guidance in developing the project. We will discuss the requirements and submission schedule during the first session.

**COURSE PLAN**

The course is divided into four parts. In the first, we address the question ‘why firms exist?’ In the second, we address the question ‘what firms do?’ In the third, we address the question ‘how firms change?’ The final part is more loosely structured, but broadly addresses how wider social forces condition market exchanges beyond the simplistic dyad of buyer and seller. Taken together, the four parts explore multiple levels of analysis (firm, environment, and inside the firm), and we will consider their integration more explicitly in the final session.

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1 There are 16 compulsory articles listed in the syllabus. Should the number of presentations exceed 4 per student, please prioritize among those articles that are indexed by two asterisks.
PART I: WHY FIRMS EXIST

Session 1. Ronald Coase (10 May 2021, 09.45 – 12.15)


Optional reading

Session 2. Oliver Williamson (10 May 2021, 12.15 - 14.45)


Optional Reading:


PART II: HOW FIRMS WORK

Session 3. Herbert Simon (19 May 2021, 09.45 – 12.15)


Optional Reading:
Session 4. James March (19 May 2021, 12.15 – 14.45)


Optional Reading:

PART III: HOW FIRMS EVOLVE

Session 5. Richard Nelson and Sidney Winter (26 May 2021, 09.45 – 12.15)


PART IV: HOW MARKETS WORK

Session 6. Mark Granovetter, Elinor Ostrom, and George Akerlof  
(26 May 2021, 12.15 – 14.45)


Optional Reading

Chapter 2: Actors, and Resources, Interest and Control.


**Session 7. Thomas Schelling (31 May 2021, 09.45 – 12.15)**


Session 8. Student Paper Presentations Part I - Ideas (31 May 2021, 09.45 – 12.15)

Recommended Reading (not specific to any session)


