

*University of Mannheim - Master in Management - Research Seminar:
Strategic Management, Sociology, and Psychology in the Family Business*

MAN 770 Course Program - Syllabus - a.y. 2019

Capsule Course Outline: This research seminar covers current research at the intersection of strategic management, psychology, sociology, and family firms. A particular focus is put on research on the role of CEOs. Students will discuss and reflect upon questions such as “How do social and individual identities of leaders affect decisions?”, “Are family CEOs superior performers?”, “What is the influence of greed on CEOs?”, or “Are founder CEOs more overconfident than professional CEOs?” and “What is the social context of firm ownership?”. This is an advanced course to be taken towards the master’s end in preparation for the master thesis. It demands a high level of involvement and contribution. *Please, do read this syllabus very carefully before the beginning of the course.*

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Tutors Baris Istipliler, M.Sc. & Marc Kowalzick, M.Sc.
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Objectives The goal of the course is twofold. First, it is designed to help participants gain access to the main topics and theories intersecting strategic management, sociology, psychology, & family business research. We will read and discuss 14 seminal articles, and simulate an academic conference in class. This familiarizes participants with the state of the art research, its designs & methods, and the respective current academic debate.

The second goal of the course is to familiarize students with the core techniques of scientific work in business studies. This includes developing a research idea, evaluating its contribution, obtaining data, performing analyses using STATA, and reporting results in article and presentation format. Students will learn to use statistical software. Overall, the course prepares students for writing a master thesis at our chair.

Contents The course will cover panel data econometrics (Wooldridge Chapter 1-15), an introduction to the databases available at the University of Mannheim, a brief introduction to STATA software, and an extensive discussion of 14 seminal articles.

Format Lectures. Discussions lead by instructors. Student presentations. Self-study.

Prerequisites Courses: No prerequisite course and no prior empirical knowledge required. Recommended: CC 502 accomplished (facultative/optional). Books: Introductory Econometrics - A Modern Approach (Wooldridge), An Introduction to Modern Econometrics Using STATA (Baum) (check Lehrbuchsammlung). Software: STATA (check Rechenzentrum website).

Non-MMM Non-MMM students, e.g. languages, psychology, MaKuWi, etc. are welcome.

Application Registration via the student portal (Portal2.uni-mannheim.de) is mandatory (Open until 02.09.2019). Additionally, apply to jahrens@staff.mail.uni-mannheim.de by sending your student ID, transcript of grades, and CV & motivation letter (both 1 page). **Application deadline: 02.09.2019**

Grading: The course consists of three components: I. Student presentation, II. discussion, and III. final assignment (details below). Each component accounts for 33,3% of the course grade.

I. Student presentation: For the presentation, each student (or team of students, depending on participation) will be assigned one (or more, depending on participation) seminal articles. They will present and defend the assigned article in detail in a graded 20 minute power point presentation as if it was their own (20 minute presentation + 3 minutes discussant comment + 12 minute discussion). Each presentation is flanked by an assigned discussant (student or team of students), the discussant comments 3 minutes on the paper in detail. The course will discuss the presentations and the presenter answers questions.

II. Discussion: All seminar participants are expected to read each article and engage in discussion. You are expected to hand-in five questions for each article. Discussion grades will be given on questions handed-in (collected in class) before each of the presentation sessions (September 18th, 24th, and October 2nd). Please make sure that you have two print-outs of your questions, one for yourself and one to hand in for grading. Regarding the preparation of discussion questions, it may be useful to reflect the following thoughts during the readings:

- What are the central questions addressed? Is the underlying theory and its assumptions consistent?
- What are the core arguments or hypotheses? Are they convincing?
- What is the empirical evidence to support the argument(s)? Is it convincing?
- How could this analysis be improved? Is there a way for a smarter approach? Has the author omitted anything or could adding another angle add new insights? (Be fair and do not make any suggestion that you would not envision to realistically perform yourself.)

III. Final assignment: The final assignment is closely related to the readings. It is designed to be a practice for the master thesis and carried out in teams of students. Student teams will write a scientific article and properly apply and evaluate panel regressions:

Assignment (15-20 pages + CD):

What is a family firm (FF) according to Anderson & Reeb (2003) and Miller & Le Breton-Miller (2011) (1 page)? How can U.S. S&P 1500 FFs & their CEOs be identified in the data-sources accessible from the University of Mannheim (2 pages)? Collect a panel of U.S. S&P 1500 FFs & non-FFs (1996-today, min. 20 firms each), including CEO data, describing each step (2 pages). Analyze your panel in STATA: How & why do FFs differ from non-FFs in a variable, construct, phenomenon, or event of your choice? Craft a theory-based hypothesis (5 Pages). Test the hypothesis using your panel. Report analysis & results (5 pages). Hand in collection routines, sample, STATA .do & .log file on CD. Violating the upper or lower page limit will result in a grading penalty.

Assignment format: A4, Times New Roman, size 12, double spacing, 2,5 cm margins. References and exhibits are included in the page limit. **Assignment deadline: December 1st 2019 at 11:59 a.m. CET. Only assignments handed to the course secretary on time are graded. No extension will be granted.**

Attendance: Attendance of each session is mandatory & signature-based. Exceptions will be made for students having an exam or if a medical certificate is provided. Students must attend for a grade.

Syllabus

Session 1, 2 & 3: Introduction.

Date & venue: September 11th (08:30-13:45), in L9, 1-2, room 210.

Assignment of presentation articles depending on course participant numbers. Introduction to course and distribution of presentations & assignments. Introduction to the databases available at the University of Mannheim, brief introduction to STATA. The scientific method, theories of science, and scientific approaches. Summary of undergraduate level econometrics (Wooldridge): Gauss-Markov theorem, MLR & interactions, bias, efficiency, consistency, ANOVA, and fundamentals of probability.

Session 4, 5, & 6: Sociology, Psychology, and Leadership.

Date & venue: September 18th (10:00-15.15), in L9, 1-2, room 210.

Econometrics: Stochastic processes, stationarity and dependency, auto-correlation, time-trends, seasonality, random walks, first-differencing, AR(q) serial error-correlation, feasible generalized least squares, difference-in-difference estimator.

Student presentations & discussion 1-4, 35 minutes each.

Readings, question hand-in, & student presentation order:

1. Hambrick, D.C., & Mason, P.A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9(2), 193-206.
2. Lee, J. M., Hwang, B. H., & Chen, H. (2017). Are founder CEOs more overconfident than professional CEOs? Evidence from S&P 1500 companies. *Strategic Management Journal*, 38(3), 751-769.
3. Petriglieri, J. L. (2011). Under threat: Responses to and the consequences of threats to individuals' identities. *Academy of Management Review*, 36(4), 641-662.
4. Miller, D., & Le Breton-Miller, I. (2011). Governance, social identity, and entrepreneurial orientation in closely held public companies. *Entrepreneurship Theory & Practice*, 35(5), 1051-1076.

Tutorial I - Identifying Family Firms & Panel Regressions using STATA (optional).

Date & venue: September 20th (15:30-18:45), in L7, pool-room 158.

The tutorial is tailored to enhance student's skills to master the core topics of the final assignment.

Session 7, 6, & 9: Management and Ownership for the Long-Run.

Date & venue: September 24th (10:00-15:15), in L9, 1-2, room 210.

Econometrics: Unobserved heterogeneity, pooled OLS, first-differenced estimator, fixed effects estimator, random effects estimator, instrumental variables estimation and 2SLS, heckit estimator.

Writing: Introduction to award winning scientific writing (Instructor).

Student presentations & discussion 5-8, 35 minutes each.

Readings, question hand-in, & student presentation order:

5. Anderson, R.C., & Reeb, D.M. (2003). Founding-family ownership and firm performance: Evidence from the S&P 500. *Journal of Finance*, 58(3), 1301-1328.
6. Villalonga, B., & Amit, R. (2006). How do family ownership, control and management affect firm value? *Journal of Financial Economics*, 80(2), 385-417.
7. Chrisman, J.J., & Patel, P.C. (2012). Variations in R&D investments of family and nonfamily firms: Behavioral agency and myopic loss aversion perspectives. *Academy of Management Journal*, 55(4), 976-997.
8. Flammer, C., & Bansal, P. (2017). Does a long-term orientation create value? Evidence from a regression discontinuity. *Strategic Management Journal*, 38(9), 1827-1847.

Tutorial II - Panel Regressions using STATA (optional).

Date & venue: October 4th (15:30-18:45), in L7, pool-room 158.

The tutorial is tailored to enhance student's skills to master the core topics of the final assignment.

Session 10, 11, & 12: Social Context, Managerial Values, and Performance.

Date & venue: October 2nd (10:00-15:15), in L9, 1-2, room 210.

Student presentations & discussion 9-14, 35 minutes each.

Readings, question hand-in, & student presentation order:

9. Barber, B.M., & Lyon, J.D. (1996). Detecting abnormal operating performance: The empirical power and specification of test statistics. *Journal of Financial Economics*, 41(3), 359-399.
10. Pérez-González, F. (2006). Inherited control and firm performance. *American Economic Review*, 96(5), 1559-1588.
11. Ahrens, J.-P., Calabrò, A., Huybrechts, J., & Woywode, M. (2019). The enigma of the family successor-firm performance relationship: A methodological reflection and reconciliation attempt. *Entrepreneurship Theory & Practice*, forthcoming.
12. Calabrò, A., Minichilli, A., Amore, M. D., & Brogi, M. (2018). The courage to choose! Primogeniture and leadership succession in family firms. *Strategic Management Journal*, 39(7), 2014-2035.
13. Haynes, K.T., Campbell, J.T., & Hitt, M.A. (2017). When more is not enough: Executive greed and its influence on shareholder wealth. *Journal of Management*, 43(2), 555-584.
14. Ahrens, J.-P., Kowalick, M., & Lauterbach, J. (2019). The family firm during firm crisis (working paper).

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