

MAN 770 Research Seminar: Strategic Leadership and Family Firms*Syllabus - FSS 2024*

Course Outline: This quantitative research seminar covers current research at the intersection of strategic leadership and family firms. Guided by recent scientific findings, students will reflect upon how organizational leaders and their needs, values, and dispositions, their biases, blinders, egos, aptitudes, experiences, and fatigue affect firm outcomes, upon the idiosyncrasies of founder and family firms, and upon how these idiosyncrasies, in turn, affect (and are affected by) firms' strategic leadership. This is an advanced quantitative 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 and all articles very carefully before the beginning of the course.*

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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 in strategic leadership and family firm 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 & practice. The second goal of the course is to familiarize students with the core techniques of quantitative 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's 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 in line with the state-of-art scientific discourse.

Format: Lectures. Discussions led by instructors. Student presentations. Self-study. Seminar paper.

Prerequisites:

- Recommended Courses: CC 502 accomplished (facultative/optional).
- Recommended Books: Introductory Econometrics - A Modern Approach (Wooldridge), An Introduction to Modern Econometrics Using STATA (Baum) (check Lehrbuchsammlung).
- Required Software: STATA (We highly recommend installing STATA on your personal laptop. Please check the website of the Rechenzentrum).

Also open for: Non-MMM students, e.g., languages, psychology, MaKuWi, MMBR, etc.

Application: Registration for MAN 770 Research Seminar and MAN 770 Exercise Class via the student portal ([Portal2.uni-mannheim.de](https://portal2.uni-mannheim.de)) is mandatory until 12.02.2024. Additionally, apply to kai.froemsdorf@uni-mannheim.de by sending your student ID, transcript of grades, and CV (1 page) by the same deadline. Late and incomplete applications will not be considered.

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 article(s). They will present and defend the assigned article in detail in a graded 20-minute PowerPoint presentation as if it was their own (20 minutes presentation + 3 minutes discussant comment + 12 minutes group discussion). Each presentation is flanked by an assigned discussant (student or team of students). It is the discussant's task to reflect upon a paper's strengths and, particularly, its weaknesses in detail and to suggest potential ways to alleviate these concerns. Thereafter, the entire 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 to be uploaded to the ILIAS Group "MAN 770 Research Seminar [S] (FSS 2024)" according to the deadlines listed below. Regarding the preparation of discussion questions, it may be useful to reflect upon the following questions during the readings:

- What are the central questions addressed? Are the 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 the empirical 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 performing yourself realistically.)

III. Final assignment (15-20 pages + data carrier): 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. The content and structure of the assignment will follow the guidelines outlined below:

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 (1996-2018, classify 100 firms as a family or non-family firm across time), including CEO data, describing each step (2 pages). Analyze your panel in STATA: How & why do strategic leaders (or does the effect of strategic leaders) such as CEOs differ in FFs as compared to non-FFs in a variable (respectively a personal disposition) 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 data, STATA .do & .log file digitally. 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. Each team can request a consulting session for the quantitative methods of their final assignment. Please register for it via an email to the course tutor.

Deadlines:

- Application deadline: 12.02.2024 (23.59 CET)
- Announcement of participants: 14.02.2024
- Acceptance of offer: 15.02.2024
- Questions for papers scheduled for day 2: February 26th, 2024 (23.59 CET)
- Questions for papers scheduled for day 3: April 17th, 2024 (23.59 CET)
- Questions for papers scheduled for day 4: April 24th, 2024 (23.59 CET)
- Final assignment: June 24th, 2024 (23.59 CET)

Only applications, questions, and assignments handed in to the course secretary on time are considered. No extension will be granted.

Attendance: Attendance of each session is mandatory. Exceptions will be made for students having an exam or if a medical certificate is provided. Students must attend for a grade. Attendance of exercise classes is highly recommended.

Day 1: Introduction, Theories of Science, and Econometrics Theory Refresher

Date & venue: February 21st, 2024 (09:00 - 18:00), EO 256

Introduction to the course and distribution of presentations & assignments depending on course participant numbers. Introduction to the databases available at the University of Mannheim, a 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. 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.

Required reading for course discussion (no presentation or questions to be handed in):

Hambrick, D.C., & Mason, P.A. (1984). Upper Echelons: The Organization as a Reflection of its Top Managers. *Academy of Management Review*. 193-206.

Day 2: Strategic Leadership I Session, Methods and Econometrics Theory Refresher II, and Identifying Family Firms

Date & venue: February 27th, 2024 (09:00 - 18:00), EO 256

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

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

Practical advice for the seminar's final assignment: Tracing founders, boards, and ownership in databases. 10-k and DEF 14A.

Required reading for course discussion (no presentation or questions to be handed in):

Neely, B.H., Lovelace, J.B., Cowen, A.P., & Hiller, N.J. (2020). Metacritiques of Upper Echelons Theory: Verdicts and Recommendations for Future Research. *Journal of Management*. 1029–1062.

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

1. Hayward, M.L.A., & Hambrick, D.C. (1997). Explaining the Premiums Paid for Large Acquisitions: Evidence of CEO Hubris. *Administrative Science Quarterly*. 103–127.
2. Chatterjee, A., & Hambrick, D.C. (2007). It's all About me: Narcissistic Chief Executive Officers and Their Effects on Company Strategy and Performance. *Administrative Science Quarterly*. 351–386.
3. Chin, M.K., Hambrick, D.C., & Trevino, L.K. (2013). Political Ideologies of CEOs: The Influence of Executives' Values on Corporate Social Responsibility. *Administrative Science Quarterly*. 197–232.
4. Crossland, C., Zyung, J., Hiller, N.J., & Hambrick, D.C. (2014). CEO Career Variety: Effects on Firm-Level Strategic and Social Novelty. *Academy of Management Journal*. 652–674.

Exercise Class Day 1: Introduction to STATA (separate, apply in Portal2)

Date & venue: March 4th, 2024 (09:00 - 15:00), 158 PC-Pool (L7, 3-5)

The tutorial is tailored to enhance students' skills to master the core topics of the final assignment. Topics: basics of STATA, data import and export.

Day 3: Strategic Leadership II Session

Date & venue: April 18th, 2024 (09:00 - 18:00), EO 256

Student presentations & discussion 5-9, 35 minutes each.

Required readings for course discussion (no presentation or questions to be handed in):

Quigley, T.J., & Graffin, S.D. (2017). Reaffirming the CEO Effect is Significant and Much Larger Than Chance: A Comment on Fitza (2014). *Strategic Management Journal*. 793–801.

Fitza, M.A. (2017). How Much Do CEOs Really Matter? Reaffirming That the CEO Effect is Mostly Due to Chance. *Strategic Management Journal*. 802–811.

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

5. Gamache, D.L., McNamara, G., Mannor, M.J., & Johnson, R.E. (2015). Motivated to Acquire? Impact of CEO Regulatory Focus on Firm Acquisitions. *Academy of Management Journal*. 1261–1282.

6. 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*. 555-584.

7. Petrenko, O.V., Aime, F., Recendes, T. & Chandler, J.A. (2019). The Case for Humble Expectations: CEO Humility and Market Performance. *Strategic Management Journal*. 1938–1964.

8. Harrison, J.S., Thurgood, G.R., Boivie, S., & Pfarrer, M.D. (2020). Perception is Reality: How CEOs' Observed Personality Influences Market Perceptions of Firm Risk and Shareholder Returns. *Academy of Management Journal*. 1166–1195.

9. Wowak, A.J., Busenbark, J.R., & Hambrick, D.C. (2022). How do Employees React When Their CEO Speaks out? Intra- and Extra-Firm Implications of CEO Sociopolitical Activism. *Administrative Science Quarterly*. 553–593.

Day 4: Strategic Leadership and Family Firms Session

Date & venue: April 25th, 2024 (09:00 - 18:00), EO 256

Student presentations & discussion 10-14, 35 minutes each.

Practical advice for master's theses: Linktables and merging via GVKEY <> PERMNO and PERMNO <> NCUSIP. Bridgeskeleton: Compustat <> CRSP+CCM; Bridgeskeleton: Compustat <> Execucomp; Bridgeskeleton: Compustat <> KLD. Calendar year and fiscal years in Compustat. Linkstarts and linkends. Duplicates. Application of bridgeskeletons in STATA for your master's thesis.

Required reading for course discussion (no presentation or questions to be handed in):

Picone, P.M., De Massis, A., Tang, Y., & Piccolo, R. F. (2021). The Psychological Foundations of Management in Family Firms: Values, Biases, and Heuristics. *Family Business Review*. 12–32.

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

10. Wowak, A.J., Gomez-Mejia, L.R., & Steinbach, A. L. (2017). Inducements and Motives at the top: A Holistic Perspective on the Drivers of Executive Behavior. *Academy of Management Annals*. 669–702.

11. Miller, D., Le Breton-Miller, I., & Lester, R.H. (2011). Family and Lone Founder Ownership and Strategic Behaviour: Social Context, Identity, and Institutional Logics. *Journal of Management Studies*. 1–25.

12. Gomez-Mejia, L.R., Haynes, K.T., Nunez-Nickel, M., Jacobson, K.J.L., & Moyano-Fuentes, J. (2007). Socioemotional Wealth and Business Risks in Family-Controlled Firms: Evidence from Spanish Olive Oil Mills. *Administrative Science Quarterly*. 106–137.

13. Cannella, A.A., Jones, C.D., & Withers, M.C. (2015). Family- Versus Lone-Founder-Controlled Public Corporations: Social Identity Theory and Boards of Directors. *Academy of Management Journal*. 436–459.
14. 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.

Exercise Class Day 2 (double session): Data Cleaning and Visualization (separate, apply in Portal2)

Date & venue: April 22nd, 2024 (09:00 - 15:00), 158 PC-Pool (L7, 3-5)

We will practice STATA techniques in class. In this session we go for data cleaning, merging and transposing data, descriptive analysis, and data visualization.

Optional further readings:

- Murray, S.D. (1971). That's Interesting! Towards a Phenomenology of Sociology and a Sociology of Phenomenology. *Philosophy of the Social Sciences*. 309–344.
- Hambrick, D.C., & Quigley, T.J. (2014). Toward More Accurate Contextualization of the CEO Effect on Firm Performance. *Strategic Management Journal*. 473–491.
- Chen, G., Crossland, C., & Luo, S. (2015). Making the Same Mistake all Over Again: CEO Overconfidence and Corporate Resistance to Corrective Feedback. *Strategic Management Journal*. 1513–1535.
- Kish-Gephart, J.J., & Campbell, J.T. (2015). You Don't Forget Your Roots: The Influence of CEO Social Class Background on Strategic Risk Taking. *Academy of Management Journal*, 1614-1636.
- Graf-Vlachy, L., Bundy, J. & Hambrick, D.C. (2020). Effects of an Advancing Tenure on CEO Cognitive Complexity. *Organization Science*. 936–959.
- Koch-Bayram, I.F. & Biemann, T. (2020). Signs of Narcissism? Reconsidering a Widely Used Measure. *Journal of Leadership & Organizational Studies*. 289–405.
- DesJardine, M.R., & Shi, W. (2021). How Temporal Focus Shapes the Influence of Executive Compensation on Risk Taking. *Academy of Management Journal*. 265–292.
- Lovelace, J.B., Bundy, J., Pollock, T.G., & Hambrick, D.C. (2022). The Push and Pull of Attaining CEO Celebrity: A Media Routines Perspective. *Academy of Management Journal*. 1169–1191.
- Hambrick, D.C. & Wowak, A.J. (2021). CEO Sociopolitical Activism: A Stakeholder Alignment Model. *Academy of Management Review*. 33–59.
- Feldman, E. R., Amit, R., & Villalonga, B. (2019) Family Firms and the Stock Market Performance of Acquisitions and Divestitures. *Strategic Management Journal*. 757–780.
- Dick, M., Wagner, E., & Pernsteiner, H. (2021). Founder-Controlled Family Firms, Overconfidence, and Corporate Social Responsibility Engagement: Evidence From Survey Data. *Family Business Review*. 71-92.