



APPLIES TO ACADEMIC YEAR 2011/2012

DRE 3004 Strategy I **Foundations of Strategic Management and Organizations**

Programme

Strategic Management

Responsible for the course

Bente Løwendahl

Department

Department of Strategy and Logistics

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

Duration: 30 participation hours

Learning outcome

Upon completion of this course, the students should have gained

- in-depth knowledge of some of the most important theoretical roots of the field of strategic management, broadly defined
- a good understanding of the historical background and evolution of a number of key topics in strategy research today
- a good understanding of the theoretical and research background of a number of key members of the strategy faculty of the department of strategy and logistics, and a better understanding of who to ask for advice on what topic
- a better understanding of what may be appropriate theoretical roots in which to anchor their own academic research

Prerequisites

This course is the first in a sequence of three core courses in strategy. The next two courses will: 1) go deeper into the analyses of key issues in strategy, and 2) look into theories and issues on the research frontier in strategy. This course is not required but strongly recommended for the other two courses. "Foundations of Strategy" is mandatory for students majoring in strategic management at NSM.

Admission to a PhD Programme is a general requirement for participation in PhD courses at BI Norwegian Business School.

External candidates are kindly asked to attach confirmation of admission to a PhD programme when signing up for a course with the doctoral administration. Other candidates may be allowed to sit in on courses by approval of the courseleader. Sitting in on courses does not permit registration for courses, handing in exams or gaining credits for the course. Course certificates or confirmation letters will not be issued for sitting in on courses

Compulsory reading

Books:

Andrews, Kenneth R.. 1987. The concept of corporate strategy. 3rd ed. Homewood, Ill. : Irwin
Barnard, Chester I. 1938. The functions of the executive. Cambridge, Mass. : Harvard
University Press
Chandler, Alfred D. 1962. Strategy and structure : chapters in the history of the industrial
enterprise. Cambridge, Mass : MIT Press
Penrose, Edith. 2009. The theory of the growth of the firm. 4th ed. Oxford : Oxford University
Press
Porter, Michael E. 1980. Competitive strategy : techniques for analyzing industries and
competitors. New York : Free Press

Thompson, James D.. 1967. Organizations in action : social science bases of administrative theory. New York : McGraw-Hill
 Williamson, Oliver E.. 1975. Markets and hierarchies: analysis and antitrust implications : a study in the economics of internal organization. New York : Free Press

Recommended reading

Books:

Brunsson, Nils. 2000. The irrational organization : irrationality as a basis for organizational action and change. 2nd ed. Bergen : Fagbokforl.
 Burns, T. and G.M. Stalker. 1994. The management of innovation. 3rd ed. Oxford : Oxford U.P.
 Burt, Ronald S. 1983. Corporate profits and cooptation : networks of market constraints and directorate ties in the American economy. New York : Academic Press
 Cyert, Richard M. and James G. March. 1992. A behavioral theory of the firm. 2nd ed. Malden, Mass. : Blackwell
 Hymer, Stephen Herbert. 1976. The international operations of national firms : a study of direct foreign investment. Cambridge, Mass. : MIT Press
 March, James G. and Herbert A. Simon. 1993. Organizations. 2nd ed. Cambridge, Mass. : Blackwell Business
 Mintzberg, Henry. 1980. The nature of managerial work. Englewood Cliffs : Prentice-Hall
 Nelson, Richard R. and Sidney and Sidney. 1982. An evolutionary theory of economic change. Cambridge, Mass. : Belknap Press
 Pfeffer, Jeffrey and Gerald R. Salancik. 2003. The external control of organizations : a resource dependence perspective. New ed.. Stanford, Calif. : Stanford Business Books
 Porter, Michael E.. 1985. Competitive advantage : creating and sustaining superior performance. New York : Free Press
 Porter, Michael E.. 1990. The competitive advantage of nations. London : Macmillan
 Quinn, James Brian. 1980. Strategies for change : logical incrementalism. Homewood, Ill. : Irwin
 Schelling, Thomas C.. 1980. The strategy of conflict. Cambridge, Mass. : Harvard University Press
 Selznick, Philip. 1984. Leadership in administration : a sociological interpretation. Berkeley, Calif. : University of California Press
 Williamson, Oliver E.. 1985. The economic institutions of capitalism : firms, markets, relational contracting. New York : Free Press
 Williamson, Oliver E.. 1996. The mechanisms of governance. New York : Oxford University Press

Course outline

The course is designed around a set of ten classic books, each to be discussed in one three hour session. The ten topics and books covered will be chosen from the following list:

- 1) What is strategy? As represented by Andrews, K.R. *The concept of corporate strategy* , 3rd ed., Homewood, J. Irwin, 1987.
- 2) The evolution and growth of firms and firm resources, as represented by Penrose, E.T. *The theory of the growth of the firm* , 1959. 3rd ed. Oxford: Oxford University Press 1995.
- 3) What is a firm and what does it do? As represented by Cyert, R. & March, J.G. *A behavioral theory of the firm* . Englewood Cliffs, NJ: Prentice Hall, 1963. (Reprinted in 1992, Blackwell)
- 4) The link between strategy and organizational structure, as represented by Chandler, A.D. Jr. *Strategy and structure: Chapters in the history of the American Industrial Enterprise* Cambridge, Mass.: MIT Press, 1962.
- 5) The structuring of organizations to achieve efficiency and effectiveness. As represented by Thompson, J.D. *Organizations in action* . New York: McGraw Hill, 1967.
- 6) Organizations and Environment. As represented by Pfeffer, J. & Salancik, G. *The external control of organizations. A resource dependence perspective*. New York: Harper & Row, 1978.
- 7) Executive Leadership. As represented by Barnard, C. *The Functions of the Executive* . Cambridge, Mass.: Harvard University Press, 1938.
- 8) Competitive strategy - microeconomic approaches to strategy. As represented by Porter, M.E. *Competitive strategy* . New York: Free Press, 1980.
- 9) Transaction costs economics. As represented by Williamson, O. E. 1975. *Markets and Hierarchies: Analysis and Antitrust Implications*. New York: Free Press.
- 10) Network theory. As represented by Burt, R.S. *Corporate Profits and Cooptation* . New York: Academic Press, 1983.
- 11) International business. As represented by Hymer, S.H. *The international operations of national firms - a study of direct foreign investment*. Cambridge, Mass: MIT Press, 1976 (A reprint of his dissertation with the same title, dated 1960.)
- 12) Critical perspectives on organizations. As represented by Perrow, C. *Complex Organizations*. 3rd Ed. McGraw Hill 1986.

The course is taught by a number of NSM faculty members, with different academic specialties. One or two of the books on this list may be altered, subject to who among NSM faculty are available to teach each

session.

Computer-based tools

None

Learning process and workload

The course is designed as 10 three hour seminars, each with one main topic. Normally five such sessions take place - one per day - in two weeks, with a week in between for further reading. The students should be warned that the reading load for this course is HEAVY, and that they need to start reading many weeks before the commencement of the course. The week in between the first 5 and the following 5 sessions is NOT enough to cover the 5 remaining books, so start reading early!

In each session, a student presentation, lecture and discussion of the core book (and article(s)) is combined with a brief review of recommended books and articles. All required readings should be completed before the start-up of the course. For each core book, the students are required to submit a one page critical summary/review of key contributions to the field of strategic management (five one page summaries are required for course credit). In addition, students are required to write one major term paper utilizing one or more of the recommended books together with one of the required books. The paper is to be submitted within one month after the completion of the seminars.

Term paper: The term paper should review the book(s) chosen, and be about 15-20 pages long. Format requirements are the same as for other NSM hand-ins. The paper should contain the following sections, but needs not be limited to these:

- 1) The main theoretical contribution;
- 2) Examples of recent research in strategic management using the theory;
- 3) Weaknesses of the theory;
- 5) Theoretical implications that can be explored in future research.

Working hours: 180 student hours (estimate)

Examination

Five minor (one to two page summaries) book reviews and one final paper (15 to 20 pages) are required, in addition to presentations and active participation in seminars. Evaluation: Pass/Fail.

There will be process evaluation in this course. The course will be graded pass/ fail.

The paper and book reviews should be original work, and be written specifically for this course.

Examination code(s)

DRE 30041 will account for 100% of the grade.

Examination support materials

Re-sit examination

Next time the course is offered.

Additional information

Honor Code

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.