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## **RESEARCH METHODS**

### **INTRODUCTION**

This course aims to lay a foundation for your empirical research. The goal is to help you to design and develop your future research projects.

### **OBJECTIVES**

The main objective of this course is to improve the *design* of your research projects. To this end, we will focus on the importance of careful theoretical thinking and on the conceptual difficulties associated with establishing causality in empirical work.

Although this is not an econometrics course, econometric concepts, problems, and analyses will be considered, making explicit connections with what you have seen and will see in the Econometrics I and Econometrics II courses.

### **LEARNING OUTCOMES**

When you have completed this course, you will be (better) able to:

- Identify the best research design for your research questions;
- Understand, apply, and criticize the main research methods that are typically applied in management studies;
- Develop and practice the skills necessary to conduct, review, and publish management research;
- Present and defend your research ideas.

### **COMPETENCIES**

#### GENERAL COMPETENCIES

CG6: Use appropriate tools and techniques for problem solving, correction contrasting and decision validation.

#### SPECIFIC COMPETENCIES

CE1: Understand the concepts of social and human sciences relevant and necessary to carry out research projects of international level in the area of business management.

CE3: Organization, planning and implementation of a research project related to social sciences.

CE4: Distinguishing of the different fields of management sciences and acknowledgement of the research methodologies related to them.

CE5: Ability to understand state-of-the-art research in organization theory published in the top academic journals (Administrative Science Quarterly, Academy of Management Journal, Organization Science, etc.) and compare and contrast the arguments developed in the papers from a logical and empirical point of view.

CE7: Ability to articulate research questions that could extend our understanding of the field, and design a research program to answer them.

CE9: Analyze and relate the main contributions of the economy to the study of organizations and contrast them with statistical, econometric or qualitative methods.

CE17: Ability to critically establish, the relevance and significance of the results obtained with respect to the proposed objectives, and prepare conclusions within the framework of current scientific knowledge on the topic in question.

CE18: Develop a scientific / technical report or research work with the objective to inform the scientific community on the contribution of the research conducted, making use of adequate information technology for both acquisition and dissemination of research results.

## **CONTENT**

The course is divided in three main blocks: (1) Introduction to research in the field of management; (2) Introduction to the importance of theory in management research; (3) Discussion of the main conceptual issues related to establishing causality in empirical work.

## **EVALUATION**

There are two main requirements for successfully completing this course:

1. Class participation, including exercises
  2. "Research idea" presentation
- You are expected to come to class prepared to discuss all the material assigned and to contribute to class discussion. Class participation will count for 50% towards your final grade.
  - You are expected to present and discuss (with particular emphasis on the methodological issues and empirical strategy) a "research idea". This does not need to be a full-blown research proposal that will necessarily lead to your thesis, but rather an opportunity for you to choose an issue that is of interest to you, and spend some time thinking about what you need to do in order to accomplish it – see Assignments 1, 2, and 3 below. These three assignments will count for 50% towards your final grade.

**ASSIGNMENTS**

1. Write a brief statement (max 1 page of a Word/PDF document) on a research question you are interested in. Due on January 16, 10:00 pm (please upload the document on virtual campus).
2. On the basis of what we have seen so far in the course and given the discussion of your previous Assignment (i.e., Assignment 1), re-write a short document on your research question, suggesting also one or two explicit hypotheses. Due on February 6, 10:00 pm (please upload the document on virtual campus).
3. Present and discuss an “ideal” research design and empirical strategy to test your research question. I expect to see a description of your data (clearly, you do not need to have the data you would like to use, but it should be feasible to collect them), a specification for the regression(s) / empirical analyses you will perform, and a discussion of the assumptions that are necessary in order to believe that your analyses are an answer to your research question. This document should be a Power Point and will be also presented in class. Due on March 11, 10:00 pm (please upload the document on virtual campus).

***Please notice that late submissions will not be considered.***

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## **COURSE OUTLINE AND BIBLIOGRAPHY**

### **Sessions 1 and 2. Introduction to the course.**

- King A., Baatartogtokh B. 2015. How useful is the theory of disruptive innovation? *Sloan Management Review*, Fall: 77-90. SMR536
- Harton R. 2015. Offline. What is medicine's 5 sigma? *The Lancet*, 385: 1380.
- Woodside A. 2016. The good practices manifesto: Overcoming bad practices pervasive in current research in business. *Journal of Business Research*, 69: 365-381.
- Gulati R. 2007. Tent poles, tribalism and boundary spanning: The rigor-relevance debate in management research. *Academy of Management Journal*, 50: 775-782.

### **Sessions 3 and 4. Research design.**

- King G., Keohane R.O., Verba S. 1996. *Designing social inquiry: Scientific inference in qualitative research*. Princeton University Press. Chapter 1. 017096
- West M. 2002. *Legal Determinants of World Cup Success*. Working paper, University of Michigan.
- De Vaus D. 2001. *Research design in social research*. SAGE. Chapter 1.
- Goldfarb B., King A. 2016. Scientific apophenia in strategic management research: Significance tests and mistaken inference. *Strategic Management Journal*, 37: 167-176.

Discussion of students' research questions. See assignment 1.

### **Sessions 5 and 6. What is 'theory' and why do we need it?**

- Stinchcombe A. 1968. *Constructing social theories*. The University of Chicago Press. Chapter 2.
- Hambrick DC. 2007. The field of management's devotion to theory: Too much of a good thing? *Academy of Management Journal*, 50: 1346-1351.
- Barney J. 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17: 99-120. 016283
- Priem RL., Butler JE. 2001. Is the Resource-Based Theory a Useful Perspective for Strategic Management Research? *Academy of Management Review*, 26: 22-40. 016293

### **Sessions 7 and 8. Verbal theory, formal models, and simulations.**

- Chesbrough H., Vanhaverbeke W., West J. 2006. *Open Innovation: Researching a new paradigm*, Oxford University Press, Chapter 1.

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- Cassiman B., Valentini G. 2016. Open Innovation: Are inbound and outbound knowledge flows really complementary? *Strategic Management Journal*, 37: 1034-1046. 017091
  - Rivkin J. 2000. Imitation of complex strategies. *Management Science*, 46: 824-844. 018074
  - Klepper S. 1996. Entry, exit, growth, and innovation over the product life cycle. *American Economic Review*, 86: 562-583. 017093

**Sessions 9 and 10. Identification.**

- Angrist J., Pischke JS. 2009. *Mostly harmless econometrics*. Princeton University Press. Chapter 1 and chapter 2.
- Freeman DA. 1991. Statistical model and shoe leather. *Sociological Methodology*, 21: 219-313.
- Gelman A., Imbens, G. *Why ask Why? Forward Causal Inference and Reverse Causal Questions*. NBER Working Paper No. 19614.

Discussion of students' revised research questions. See assignment 2.

**Sessions 11 and 12. Field experiments.**

- Ewens M., Tomlin B., Wang LC. 2014. Statistical Discrimination or Prejudice? A Large Sample Field Experiment. *Review of Economics and Statistics*, 96: 119-134.
- Lacetera N., Macis M., Slonim R. 2014. Rewarding Volunteers: A Field Experiment. *Management Science*, 60: 1107-1129.
- Atkin D., Khandelwal A.K., Osman A. 2017. Exporting and Firm Performance: Evidence from a Randomized Experiment. *Quarterly Journal of Economics*, 132: 551-615.

**Sessions 13 and 14. Quasi-natural experiments.**

- Waldinger F. 2010. Quality Matters: The Expulsion of Professors and the Consequences for PhD Student Outcomes in Nazi Germany. *Journal of Political Economy*, 118: 787-831.
- Azoulay P., Graff Zivin J., Wang J. 2010. Superstar extinction. *Quarterly Journal of Economics*, 125: 549-589.
- Moser P., Voena A. 2012. Compulsory Licensing: Evidence from the Trading with the Enemy Act. *American Economic Review*, 102: 396-427. 017094
- Conti R., Valentini G. 2018. Super Parties? Assessing the Effect of Judicial Independence on Entry. *Management Science*, 64: 3517-3535. 018076

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**Sessions 15 and 16. Inferring causality from non-experimental data.**

- Villalonga B. 2004. Does Diversification Cause the 'Diversification Discount'? *Financial Management*, 33: 5-27.
- Shaver J.M. 1998. Accounting for endogeneity when assessing strategy performance: Does entry mode choice affect FDI survival? *Management Science*, 44: 571-585. 014153
- Bronzini R., Iachini E. 2014. Are incentives for R&D effective? Evidence from a regression discontinuity approach. *American Economic Journal: Economic Policy*, 6: 100-134.
- Winship C., Morgan, S.L. 1999. The estimation of causal effect from observational data. *Annual Review of Sociology*, 25: 659-706.

**Sessions 17-18. Scientific inference in qualitative research and qualitative research for scientific inference**

- Eisenhardt K. 1989. Building theories from case study research. *Academy of Management Review*, 14: 532-550. 017092
- Siggelkow N. 2007 Persuasion with case studies. *Academy of Management Journal*, 50: 20-24.
- Eisenhardt K., Graebner M. 2007. Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50: 25-32.
- Ichniowski C., Shaw KL. 2009. *Insider econometrics: Empirical studies of how management matters*. NBER Working Paper No. 15618.

**Sessions 19 and 20. Presentation of students' research design.**

See Assignment 3.

## **PROFESSOR'S BIOGRAPHY**

Giovanni Valentini holds a PhD in Management from IESE Business School. Prior to joining IESE, he was an Associate Professor of Strategy at Bocconi University, Milan. He has held visiting positions at Harvard University, University of Toronto, KU Leuven, LUISS University, and SKEMA Business School.

Most of his research has tried to contribute to a better understanding of how firms can combine internal and external knowledge to gain competitive advantage through technological innovation and growth.

His academic work has been published in journals such as *Global Strategy Journal*, *Industrial and Corporate Change*, *Journal of International Business Studies*, *Long Range Planning*, *Management Science*, *Organization Science*, *Research Policy*, *Strategic Organization*, and *Strategic Management Journal*.

He has served on the Research Committee, Executive Committee, and Award Committee of the Business Policy & Strategy (BPS) Division of the Academy of Management, and he is currently Representative-at-Large for the Technology and Innovation Management Division. He is co-editor of *Industrial and Corporate Change* and a member of the editorial board of the *European Management Review*, *Journal of Management*, and *Strategic Management Journal*.