

MGMT 9260: Seminar in Strategy and Organization Design
Spring 2026

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Class hours: Monday 2-5 pm / **Office hours:** By appointment

OVERVIEW

This half-semester course examines one of the foundational questions in strategy: the role of organizational structure in both supporting and shaping strategy. As Winston Churchill famously said: “We shape our buildings, and afterward our buildings shape us.” This course examines this proposition from two traditions, the “institutional economics” and “information processing” schools of organizational design. We will examine recent cutting-edge research from both schools. Some of the questions that we will explore in the class are: Why do firms exist? What determines their boundaries? What determines formal and informal structures within firms? How does the strategic context shape the answers to these questions? How might the nature of the firm and its boundaries relate to innovation, human capital, and knowledge creation? This class aims to provide students with a grounding in the fundamental questions and contributions in this area and to spark ideas for research in their own graduate work.

ASSIGNMENTS AND GRADING

The final grade is computed using the following weights:

- **Class participation:** 20%
 - You are required to read all the assigned materials, submit all the assignments for each session, and be prepared to actively participate in the discussions. Rather than simply responding to direct questions, students are encouraged to come to class with their own questions that they wish to share and jointly explore.
- **Reaction notes:** 20%
 - For each session, please prepare a concise (2-3 pages) document with your thoughts about the assigned papers. More specifically, for each paper, provide one to two comments (strengths for published papers, strengths or critiques for working papers) **each** on (1) theory, (2) empirics, (3) contributions, (4) potential application of this research design to a topic within your own research area (i.e., a total of four to eight bullet points). Please do not simply write a summary of the readings. This document should be uploaded to our shared folder **two days** before the corresponding session.
- **Review and response letter:** 20%
 - To help you learn about the publication process, the instructors will share their experiences of how their papers went through this process. To facilitate this discussion,

you will be asked to write a bulletized response to the initial (unpublished) version and submit this letter **two days** before the second session of each instructor (i.e., Sessions 2 and 5). The day before the second session, the actual review letter by the review team will be distributed.

- Then, **two days** before the third session, please submit a bulletized response to the review team's comments. The day before the third session (i.e., Sessions 3 and 6), the revised manuscript and the actual response letter will be distributed. In this third session (i.e., Sessions 3 and 6), the main takeaways will be discussed.
- **Final assessment: 40%**
 - To be determined in class.

AI POLICY

Students can choose from one of two options regarding AI assistance for response papers:

- **Option 1 (“Traditional”)**: Students do not use AI in any manner during the process of writing the response paper. This includes for idea generation, writing, or post-writing editing.
- **Option 2 (“AI Dialogue”)**: Students use AI in a conversational way to refine their ideas, test them, and generate additional insights. After this dialogue is over, students synthesize the insights and write the response paper themselves. The response paper and the preceding dialogue should be submitted within the submission file to us (appended to the end).

Prohibited: Students must choose one of the two options above. They may not use AI to write the response paper for them or generate the ideas from scratch (in other words, the students must first generate their own insights and then run it by the AI).

Remember: that you are not taking this class for the grade, per se, but as the launchpad for an academic career. Therefore, reading these papers deeply and internalizing them is much more in your interest than crafting the perfect response paper.

READING LIST

Session 1: Course introduction and between firms

- **Foundational Readings**

- Roberts, J., and Saloner, G., 2013, Strategy and Organization, *Handbook of Organizational Economics*.
- (Skim) Coase, R., 1937 (2005), The Nature of the Firm, *Econometrica*, 4(16): 386-405.
- Gibbons, R., 1999, Taking Coase Seriously., *Administrative Science Quarterly*., 44(1): 145-157.
- Lafontaine, F. and Slade, M., 2007. Vertical integration and firm boundaries: The evidence. *Journal of Economic literature*, 45(3), pp.629-685.

- **Recent Work**

- Azoulay, P. 2004. Capturing Knowledge within and across Firm Boundaries: Evidence from Clinical Development. *American Economic Review*, 94(5):1591-1612.
- Baker, G.P. and Hubbard, T.N., 2004. Contractibility and asset ownership: On-board computers and governance in US trucking. *The Quarterly Journal of Economics*, 119(4), pp.1443-1479.
- Forbes, S. and Lederman, M., 2009. Adaptation and Vertical Integration in the Airline Industry. *American Economic Review*, 99(5):1831-1849.
- Zhu, Feng and Qihong Liu (2018). "Competing with Complementors: An Empirical Look at Amazon.com." *Strategic Management Journal*, 39(10): 2618-2642.

- **Assignments** (due 2 days before the class)

- Be prepared to discuss foundational readings
- Write a reaction note covering the papers in the recent work section

Session 2: Within firms

- **Foundational Readings**

- Holmstrom, B, 1999., The Firm as a Subeconomy, *JLEO*.15(1): 74-102.
- Milgrom, P. and Roberts, J., 1995. Complementarities and fit strategy, structure, and organizational change in manufacturing. *Journal of accounting and economics*, 19(2-3), pp.179-208.
- Siggelkow, N., 2002. Evolution toward fit. *Administrative science quarterly*, 47(1), pp.125-159.

- **Recent Work**

- Azoulay P., and Lerner, J., 2013., Technological Innovation and Organizations., *Handbook of Organizational Economics*.
- Gosnell, G.K., List, J.A., and Metcalfe, R.D. 2020. The impact of management practices on employee productivity: A field experiment with airline captains. *Journal of Political Economy*, 128(4):1195-1233.
- Blader, S., Gartenberg, C. and Prat, A., 2020. The contingent effect of management practices. *The Review of Economic Studies*, 87(2), pp.721-749.

- Berger, A.N., Miller, N.H., Petersen, M.A., Rajan, R.G. and Stein, J.C., 2005. Does function follow organizational form? Evidence from the lending practices of large and small banks. *Journal of Financial economics*, 76(2), pp.237-269.
- Gartenberg C, Prat A, and Serafeim G. 2019. Corporate purpose and financial performance. *Organization Science*, 30(1):1-8. (Initial submission)
- **Assignments** (due 2 days before the class)
 - Be prepared to discuss foundational readings
 - Write a reaction note covering the papers in the recent work section
 - Write a response note for Gartenberg et al.'s (2019) Round 1 review
 - Read the Round 1 reviewers reports for Gartenberg et al. (2019) – Will be distributed the day before the class

Session 3: Examples of frontier topics

- **Foundational Readings**
 - Selznick, P., (1957) *Leadership in Administration: A Sociological Perspective*.
 - Felin, T., Foss, N.J. and Ployhart, R.E., 2015. The microfoundations movement in strategy and organization theory. *Academy of Management Annals*, 9(1), pp.575-632.
 - Kogut, B. and Zander, U., 1992. Knowledge of the firm, combinative capabilities, and the replication of technology. *Organization science*, 3(3), pp.383-397.
 - Garicano, Luis (2000). "Hierarchies and the Organization of Knowledge in Production." *Journal of Political Economy*, 108(5): 874-904.
 - Hart, O., Shleifer, A. and Vishny, R.W., 1997. The proper scope of government: theory and an application to prisons. *The quarterly journal of economics*, 112(4), pp.1127-1161.
- **Recent Work**
 - Bloom, N., Garicano, L., Sadun, R. and Van Reenen, J., 2014. The distinct effects of information technology and communication technology on firm organization. *Management Science*, 60(12), pp.2859-2885.
 - Gupta, A., Howell, S.T., Yannelis, C. and Gupta, A., 2024. Owner incentives and performance in healthcare: private equity investment in nursing homes. *The Review of Financial Studies*, 37(4), pp.1029-1077.
 - Feigenbaum, J. and Gross, D.P., 2024. Organizational and economic obstacles to automation: A cautionary tale from at&t in the twentieth century. *Management Science*, 70(12), pp.8520-8540.
 - Gartenberg C., Prat A., and Serafeim G. 2019. Corporate purpose and financial performance. *Organization Science*, 30(1):1-8. (Published version)
- **Assignments** (due 2 days before the class)
 - Be prepared to discuss foundational readings
 - Write a reaction note covering the papers in the recent work section
 - Read Gartenberg et al.'s (2019) Round 1, Round 2, and published version and write a reaction note that highlights the biggest observations you have about the review and response process and questions that you would like to discuss in class.

Session 4: Search

- **Foundational Readings**

- Simon, H. A. 1947/1997. Administrative Behavior: A Study of Decision-Making Processes in Administrative Organization. New York: Free Press. - Chapter 1
- Cyert, R.M., & March, J.G. (1963). A Behavioral Theory of The Firm. Englewood Cliffs, NJ. - Chapter 2

- **Recent Work**

- Ethiraj S. K., and Levinthal D. 2004. Bounded rationality and the search for organizational architecture: An evolutionary perspective on the design of organizations and their evolvability. *Administrative Science Quarterly*, 49: 404-437.
- Csaszar, F. A. 2012. Organizational Structure as a Determinant of Performance: Evidence from Mutual Funds. *Strategic Management Journal*, 33(6), 611-632.
- Eklund, J., and Kapoor, R. 2022. Mind the Gaps: How Organization Design Shapes the Sourcing of Inventions. *Organization Science*, 33:4, 1319-1339.
- Fang C., Lee J., and Schilling M. A. 2010. Balancing exploration and exploitation through structural design: The isolation of subgroups and organizational learning. *Organization Science*, 21: 625-642.

- **Assignments** (due 2 days before the class)

- Write a reaction note for Ethiraj and Levinthal (2004), Csaszar (2012), Eklund and Kapoor (2022), and Fang et al. (2010)

Session 5: Aggregation

- **Foundational Readings**

- Simon, H. A. 1947/1997. Administrative Behavior: A Study of Decision-Making Processes in Administrative Organization. New York: Free Press. - Chapter 7
- Chandler, A. D., 1962. Strategy and Structure: Chapters in the History of the American Industrial Enterprise. Cambridge, MA: MIT Press. - Introduction

- **Recent Work**

- Reitzig M., and Maciejovsky B. 2015. Corporate hierarchy and vertical information flow inside the firm—A behavioral view. *Strategic Management Journal*, 36: 1979-1999.
- Keum, D. D., and See, K. E. 2017. The Influence of Hierarchy on Idea Generation and Selection in the Innovation Process. *Organization Science*, 28(4), 653-669.
- Christensen M., Dahl C. M., Knudsen T., Warglien M. 2023. Context and aggregation: An experimental study of bias and discrimination in organizational decisions. *Organization Science*, 34: 2163-2181.
- Karim S., and Kaul A. 2015. Structural recombination and innovation: Unlocking intraorganizational knowledge synergy through structural change. *Organization Science*, 26: 439-455.
- Hurst, R., Lee, S., and Frake, J. 2024. The Effect of Flatter Hierarchy on Applicant Pool Gender Diversity: Evidence from Experiments. *Strategic Management Journal*, 45(8) 1446–1484. (Initial submission)

- **Assignments** (due 2 days before the class)

- Write a reaction note for Reitzig and Maciejovsky (2015), Keum and See (2017), Christensen et al. (2023), and Karim and Kaul (2015)
- Write a review letter for Hurst, Lee, and Frake's (2024) initial submission
- Read Hurst, Lee, and Frake's (2024) Round 1 review – Will be distributed the day before the class

Session 6: New Agenda

• Foundational Readings

- Simon, H. A. 1947/1997. Administrative Behavior: A Study of Decision-Making Processes in Administrative Organization. New York: Free Press. - Chapter 8
- Joseph, J., and Sengul, M. 2024. Organization Design: Current Insights and Future Research Directions. *Journal of Management*, 51(1), 249-308.

• Recent Work

- Sine W. D., Mitsuhashi H., Kirsch D. A. 2006. Revisiting Burns and Stalker: Formal structure and new venture performance in emerging economic sectors. *Academy of Management Journal*, 49: 121-132.
- Lee, S. 2021. The Myth of the Flat Start-up: Reconsidering the Organizational Structure of Start-ups. *Strategic Management Journal*, 43(1):58–92.
- Slade Shantz, A. F., Kistruck, G. M., Pacheco, D. F., and Webb, J. W. 2020. How Formal and Informal Hierarchies Shape Conflict within Cooperatives: A Field Experiment in Ghana. *Academy of Management Journal*, 63(2):503-529
- Alexy, O., Poetz, K., Puranam, P., and Reitzig, M. 2021. Adaptation or Persistence? Emergence and Revision of Organization Designs in New Ventures. *Organization Science*, 32(6) 1439-1472.
- Jones M., and Schou P. K. 2023. Structuring the start-up: How coordination emerges in start-ups through learning sequencing. *Academy of Management Journal*, 66: 859-893.
- Hurst, R., Lee, S., and Frake, J. 2024. The Effect of Flatter Hierarchy on Applicant Pool Gender Diversity: Evidence from Experiments. *Strategic Management Journal*, 45(8) 1446–1484. (Published version)

• Assignments (due 2 days before the class)

- Write a reaction note for Baron et al. (1999), Alexy et al. (2021), Jones and Schou (2023), Sine et al. (2006), and Lee (2021)
- Write a response letter for Hurst, Lee, and Frake's (2024) Round 1 review
- Read Hurst, Lee, and Frake's (2024) published version and its response letters – Will be distributed the day before the class

Session 7: Final assessment