

334.150 Seminar on Organizational Design and Incentives

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<http://www.uni-graz.at/organisation>

Office Hours: see UGO

Course description

This is a Master-level seminar in *Organizational Economics and Competitive Strategy*. The seminar uses concepts and methods taught in courses on Transaction Cost Economics, Property Rights Theory, Principal-Agent Theory, and Competitive Strategy. In this course we will read and discuss research articles from the literature.

Previous knowledge expected (Prerequisites)

It is expected that you have mastered the concepts and analytical methods in intermediate courses on Microeconomics, Game Theory, and Statistics. A prerequisite for this course is that you have taken 334.100/101 Masterkurs Management, 334.111/121 Organizational Design and Incentives 1/2, and 334.130 Organizational Design and Strategy 1.

Objective

After this course, students should have a deeper understanding of key issues in Organizational Economics and Competitive Strategy. Students are expected to:

- Independently work on a specific research topic
- Do research on this topic using journal databases (e.g. ProQuest, EconLit, EbscoHost, ScienceDirect, etc) or research papers networks (e.g. Social Science Research Network)
- Learn how to structure a research essay
- Learn how to present a research paper

Language of instruction:

This course will be held in English.

Teaching and learning method

The course consists of a mix of group discussions and student presentations.

Exam information

Assessment is based on:

- (i) Active involvement and participation in class (please note that class attendance is mandatory!),
- (ii) The presentation of the research paper in English (prepare a 2-page handout; strictly follow the guidelines for scientific writing)
- (iii) Research paper in English
- (iv) Written end-of-seminar exam

Schedule

TBA

Topics

Strategic Delegation in Oligopoly:

1. Fershtman, C. and K.L. Judd (1987), Equilibrium Incentives in Oligopoly, American Economic Review, Vol. 77, No. 5, 927-940.

Performance measurement and Competition

2. Graziano, C. and B.M. Parigi (1998), Do managers work harder in competitive industries? Journal of Economic Behavior and Organization, 34, 489-498.

Duration of Contracts and Competitive Effects

3. Barcena-Ruiz, J.C. and M.P. Espinosa (1996), Long-term or Short-term Managerial Incentive Contracts, Journal of Economics and Management Strategy, Vol. 5, No. 3, 343-359.

Organizational Governance and Competition

4. Barcena-Ruiz, J.C. and M.P. Espinosa (1999), Should Multi-Product Firms Provide Divisional or Corporate Incentives? International Journal of Industrial Organization, 17, 751-764.

Organizational Structure, First-Mover-Vorteil und Wettbewerb

5. Kopel, M. und C. Löffler (2008), Commitment, First-Mover, and Second-Mover Advantage, Journal of Economics, 94(2), 143-166.

Economizing versus Strategizing in a Cournot Duopoly Model

6. Nickerson, J.A. and R.V. Bergh (1999), Economizing in a context of strategizing: governance mode choice in Cournot competition, Journal of Economic Behavior and Organization, 40, 1-15.

Corporate Social Responsibility and Incentive Contracts

7. Baron, D.P. (2008), Managerial Contracting and Corporate Social Responsibility, Journal of Public Economics, 92, 268-288.

Green Consumerism and social interaction

8. Nyborg, K., R.B Howarth and K.A. Brekke (2006), Green Consumers and public policy: On socially contingent moral motivation, Resource and Energy Economics, 28, 351-366.

Make-or-Buy in an Oligopoly context

9. The make-or-buy choice in a mixed oligopoly: a theoretical investigation, Working paper.

Vertical integration or separation in an oligopoly

10. Jansen, J. (2003), Coexistence of strategic vertical separation and integration, International Journal of Industrial Organization, 21, 699-716.