
Teaching Program

„Organizational Economics“

&

Research Projects

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Locating Organizational Economics

(adapted from Robert Gibbons, MIT)



Foundations of and Topics in Organizational and Media Economics				
Theoretical Foundations: New Institutional Economics				
Economics of Information		Game Theory		Economics of Contracts and Transaction Costs
Akerlof, Spence und Stiglitz (2001)		Selten, Nash und Harsanyi (1994); Aumann und Schelling (2005)		Coase (1991)
↓		↓		↓
Courses				
Organizational Economics 2131 Organization and Leadership (BA) 4131 Strategic Management (MA)		Sports Economics Allocation and Remuneration of Professional Athletes (BA) Organization of Professional Team Sports Leagues (MA) Cultural Economics Economics of the Music Industry (BA) Arts & Economics (MA)		Media Economics Media Markets I: Radio and Television Media Markets II: Newspapers and Magazines Media Markets III: Film Industry
↓		↓		↓
Goal No. 1: Provide Students with a Systematic Framework to Analyze Corporate Structure and Organization Goal No. 2: Outline and Discuss Implications for Management				

Course Descriptions

Overview (I)

Winter Semester			
MA-Program	4131	Strategic Management	10 ECTS
		Corporate Governance	5 ECTS
Ph.D.-Level		Applying for Research Grants	
Summer Semester			
BA-Program	2131	Organization and Leadership	10 ECTS
		Applied Game Theory	5 ECTS
Ph.-D. Level		Quantitative Methods in Organizational Economics	

Overview (II)

Course	Lectures	Case Studies / Group Assignment / Research Methods and Techniques	Individual Projects / Independent Studies / Directed Readings
MA 4131: Strategic Management	45 hours	135 hours	120 hours
MA: Corporate Governance	30 hours	50 hours	70 hours
BA 2131: Organization and Leadership	45 hours	135 hours	120 hours
BA: Applied Game Theory	30 hours	50 hours	70 hours

Strategic Management (M.A./M.Sc.)

Lectures (Brickley, Smith and Zimmermann 2004)

- Evolution of the Modern Firm
- Corporate Strategy (Horizontal Boundaries of the Firm, Strategic Positioning, Competitive Advantage)
- Strategy and Organization (Organizational Structure and Firm Performance, Organizational Design and Strategic Objectives)
- Politics and Influence; Power and Culture
- Empirical Methods in Strategy

Directed Readings and Independent Studies

- Selected Cases from Besanko, Dranove and Shanley (2004)

Corporate Governance (M.A./M.Sc.)

Lectures

- The Separation of Ownership and Control
- Monitoring vs. Incentives
- Investor Protection and Corporate Governance
- Concentrated Ownership and Firm Performance
- Takeover Threats and Managerial Compliance
- Workers and Corporate Governance

Directed Readings and Independent Studies

- Jensen and Meckling (1976, 1979), Bebchuk and Roe (1999), Denis and McConnell (2003), Stiglitz (1996), Shleifer and Vishny (1986, 1997), Blair and Roe (1999), LaPorta et al. (1998, 2000), Tirole (2001)

Literature

Organizational Economics

Introductory Papers

Camerer, C.F. and U. Malmendier (2004): Behavioral Organizational Economics, mimeo, Graduate School of Business, Stanford University

Gibbons, R. (2003): Team Theory, Garbage Cans and Real Organizations: Some History and Prospects of Economic Research on Decision-Making in Organizations. *Industrial and Corporate Change*, 12, 753-787

Gibbons, R. (2005): Incentives Between Firms (and Within). *Management Science*, 51. 2-17

Kaplan, S. and R. Henderson (2005): Inertia and Incentives: Bridging Organizational Economics and Organization Theory. *Organization Science*, 16, 509-521

Textbooks

Besanko, D., D. Dranove and M. Shanley (2004): The Economics of Strategy, 2nd ed., John Wiley

Brandenburger, A.M. and B.J. Nalebuff (1996): Co-opetition, Doubleday

Brickley, J.A., C.W. Smith and J.L. Zimmerman (2004): Managerial Economics and Organizational Architecture, 3rd ed., McGraw Hill

Dixit, A.K. and B.J. Nalebuff (1991): Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life, Norton

Kräkel, M. (2004): Organisation und Management, 2. Aufl., Mohr Siebeck

Nickell, S. (1995): The Performance of Companies: The Relationship between the External Environment, Management Strategies and Corporate Performance, Blackwell

Picot, A., H. Dietl und E. Franck (2005): Organisation: Eine ökonomische Perspektive, 4. Aufl., Schäffer-Poeschel

Roberts, J. (2004): The Modern Firm: Organizational Design for Performance and Growth, Oxford University Press

Research Projects (I)

- My research interests are quite diverse and touch fields such as Organizational and Personnel Economics, Sports Economics as well as Cultural and Media Economics.
- Most of my projects are comparative ones with partners from all over the world (Germany, United States, Great Britain, Spain, Korea).
- Many of the completed projects as well as some of the current ones have been (or will be) financed by third party money (DFG, EU, HBS).
- All of the projects use unique data sets, most of which I have compiled myself.
- The results of these projects should make their way into the top peer-reviewed journals in either business administration or economics.

Research Projects (II)

(Preliminary) Project Title	Partner	Financing
Organizational Economics		
The Hidden Costs of High Performance Work Practices	Rob Simmons (Lancaster University Business School)	---
The Economics of Mandated Co-determination	-	Hans-Böckler-Foundation (highest priority)
The Economics of Charitable Organizations	-	---
Personnel Economics		
Labor Law, Labor Markets and Labor Litigation	Miguel Malo, Pilar Garcia-Martinez (Universidad de Salamanca)	---
Pay Inequalities and Economic Performance	David Marsden (London School of Economics and Political Science)	European Commission DG Employment
Beschäftigungs- und Lohnwirkungen von betrieblichen Reorganisationsprozessen	Lutz Bellmann (IAB Nürnberg); Gerhard Kleinhenz (Universität Passau)	(proposal submitted to: Deutsche Forschungsgemeinschaft)

Research Projects (III)

(Preliminary) Project Title	Partner	Financing
Sports Economics		
Market Forces and Discrimination in European Soccer	Stefan Szymanski (Imperial College London, Tanaka Business School)	---
Selection and Incentives in Tournaments: The Case of Professional Golf	Kevin Quinn (St. Norbert College, De Pere, WI)	---
Temporal Variations in Technical and Allocative Inefficiency: Evidence from German Soccer	Young Hoon Lee (Hansung University, Seoul)	---
Cultural and Media Economics		
The “Death-Effect” in Art Auctions	-	Proposal in Preparation
Cultural Imperialism? Evidence from the Film and the Music Industries in the US and Europe	Rob Simmons (Lancaster University Business School); Victor Matheson (College of the Holy Cross, Worcester, MA)	---
What Determines Box Office Returns?: A Comparative Perspective	Rob Simmons (Lancaster University Business School);	---

Data Sets (I)

Data Set	Size	Sources
Organizational Economics		
25 Organizational Units of Large Steel Producing Company (Productivity, Accidents, Absenteeism)	Unbalanced Panel (2.500-5.000 unit-month-observations)	Company Records
9 Teams of Medium-Sized Company in the Machine Tool Industry (Daily Output)	Balanced Panel (10.000 unit-day observations)	Company Records
500 Large Codetermined Companies, 1986-2005	Unbalanced Panel (7.000 company-year-observations)	Company Records, Annual Reports, Internet Sources
Charitable Organizations in Germany	Unbalanced Panel (200 Different Organizations Recognized by "DZI" over a Period of 3 Years, 560 observations)	Deutsches Zentralinstitut für Soziale Fragen
850 Top Wine Growing Companies in Germany	Unbalanced Panel (5.500 company-year-observations, 1984-2004)	Gault Millau Wine Guide

Data Sets (II)

Data Set	Size	Sources
Sports Economics		
Soccer Player Salaries and Contracts	Unbalanced Panel (4.500 player-year-observations, 1996-2005)	Kicker, Sport Bild, www.transfermarkt.de
Tournaments and Prize Money of Golf Players	All Players on 4 Different Tours, 20 Years (15.000 player-year-observations, 1980-2005)	PGA
Basketball Player Salaries and Contracts	Unbalanced Panel (6.000 player-year-observations, 1990-2005)	NBAPA, Dallas Morning News, Patricia Bender, Rod Fort
Driver Remuneration in National Association for Stock Car Auto Racing	Unbalanced Panel (38.000 driver-year-observations, 1974-2005)	NASCAR

Data Sets (III)

Data Set	Size	Sources
Cultural and Media Economics		
Movies (Including Budgets and Box Office Returns)	1.200 (England and Germany)	Various Internet Sources, Rob Simmons
International Music Charts	Top 20, Annual Basis, 10 Countries, 15 Years	Various Internet Sources
International Film Charts	Top 100, Annual Basis, 3 Countries, 20 Years	Various Internet Sources
Art Sales	350.000 Observations from Most Important Auction Houses	Various Internet Sources

What can I offer today?

- Long Live Rock'n'Roll: Music TV and the Disappearance of Superstars in the Popular Music Industry
- Is there really a “Death Effect” in Art Markets?
- The Economic Performance of Non-Profit (Charitable) Organizations: Empirical Evidence from Germany
- “... und Geld schießt eben doch Tore”: Die Entlohnung der „Inputfaktoren“ und der sportliche Erfolg in der Fußball-Bundesliga
- Mitbestimmung und Unternehmensperformance: Ergebnisse der empirischen Wirtschaftsforschung
- Contract Duration and Player Performance: Empirical Evidence from German Football
- Reputation and Survival in a Competitive Environment: Empirical Evidence from the German Wine Industry
- The Inverse Relationship between Unemployment and Absenteeism: Shirking or Selection?
- Does Ownership Matter? Product Quality and Product Prices in the German Wine Industry