2011 Utah-BYU
Winter Strategy Conference
M. Ryall and M. Shaver
SRI

- Founded 2007 (7 members)
- Recently-tenured/mid-career
- Goal: build institutions to advance strategy research
- Today ~30 members and ~20 affiliates
Activities

- Online resources: [http://strategyresearch.net](http://strategyresearch.net)
  - Strategy Reader
  - Empirical resources

- Meetings & workshops
  - 2010 AoM PDW
  - 2011 Paper development workshop (joint with ASQ – visit our site!)
  - Annual meeting

- Journals & publishing
  - SO! editorial
“Recognizing and encouraging high-quality research in strategy”

- SO!, 2010 (27 Coauthors)
  1. Desirable features of theoretical contributions
  2. Desirable features of empirical contributions
  3. Conclude: move toward greater specialization
     - Away from “hybrid” verbal theory/empirical work
     - Toward more pure theory/pure empirical papers
     - Cross-disciplinary = good!

- Theory part – Mike
- Empirical part – Myles
- Discuss!
Desirable features of theory

1. Unambiguous
   ➔ *Meaning does not vary scholar to scholar*

2. Rigorously derived
   ➔ *Conclusions logically consistent with premises*

3. Measurable
   ➔ *Empirically refutable*

4. Plausible
   ➔ *Consistent with researcher’s priors*
Unambiguous & Logically consistent

Nothing fails like verbal theory!
“Ryall Challenge” 2010

“SPEAKING WITH ONE VOICE: A STANFORD SCHOOL APPROACH TO ORGANIZATIONAL HIERARCHY”

Ezra W. Zuckerman
Typical issues of clarity

1. Plain English open to multiple, changing definitions
2. Most key terms left undefined
3. Objects defined with undefined terms
4. Confusing use of “quotation” marks
5. Confusion over rhetorical versus logical tautologies
6. Unsupported assertions
Logical consistency is the **essential** problem
So ... let’s reason about this in our heads?

http://www.adexchanger.com/venture-capital/
In other words ...

Highly complex problem domain

⇒

No valid claims using via even most sophisticated math

⇒

Progress only by induction

Highly complex problem domain

⇒

No valid claims using via even most sophisticated math

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Use natural language instead!
Verbal theory – the most important kind!

- Paradigm-Changing
- Coase Conjecture (1972) – reasons that monopolist seller of durable good prices at marginal cost due to competition with intertemporal selves
  - New idea in 8 pages of informal reasoning
  - Almost 1,000 citations, many formal models
- RBV in strategy
  - Great start … Wernerfelt 84, Barney 91, Mahoney 92
  - Verbal “refinement” not so illuminating (e.g., Peteraf 93 v. MacDonald & Ryall 04)
  - Army of formalists needs to grind through the details!