

dents enjoy the stories of great leaders and are engaged in the discussions. I assign several leaders that are good illustrative examples for the topic of the chapter we are covering in the textbook. For example, for the chapter regarding leading teams, two of the assigned leaders are Vince Lombardi and Pat Summit. Napoleon seemed a natural choice for the chapter on power. Most of the leaders could be assigned for multiple chapters as illustrated in the matrix at the end of first chapter where leaders were marked as being applicable to many different leadership theories. This flexibility helps the professor when assigning the leaders to topics.

Overall, I recommend Howell's *Snapshots of Great Leadership* as a good supplemental text for either a graduate or undergraduate leadership class. This book of stories, written in Howell's clear and concise yet evocative and compelling voice, can help to engage students in the discussion and reflection of the tenets of both good and bad leadership.

Build, Borrow, or Buy: Solving the Growth Dilemma, by Laurence Capron and Will Mitchell, 2012. 256 pages, hardcover. Boston, MA: Harvard Business Review Press.

Reviewed by **Brian Wu**, University of Michigan in Ann Arbor.

Under tremendous pressure to grow, the decision makers for many firms pursue a variety of growth paths for their organizations, including internal development, alliances, and mergers and acquisitions (M&As). Despite significant investments and efforts, the outcome of many of these endeavors is dismal—around 70% of M&As fail and, though somewhat less known, the fate of the other growth strategies is not much better, with failure rates ranging from 60–70% for alliances (Hughes & Weiss, 2007), and from 45–60% for internal development projects even if they are adjacent to the firm's existing product portfolio (Day, 2007). These numbers pose a challenge to both academics and practitioners. How can we work to improve the performance of firm growth strategies? One obvious solution is to work harder to improve the performance of each individual growth path. Yet, an alternative solution, which is often overlooked but perhaps more fundamental, is that firms can sim-

ply rotate their growth paths. Consider a simple thought experiment: Suppose 15% of the alliances should have been acquisitions, 15% of the internal development should have been acquisitions, and 15% of acquisitions should have been alliances. If firms switch to the right choices, without making any additional investments, the failure rate will decrease by 15% across-the-board.

This thought experiment illustrates the fundamental strategic issue that Professors Laurence Capron and Will Mitchell address in their book *Build, Borrow, or Buy: Solving the Growth Dilemma*: How can firms select the right path to obtain necessary resources for profitable growth? The book begins with an introduction to their key insight—the implementation trap. Capron and Mitchell believe that decision makers for firms tend to choose a growth path that they have had success with, but fail to systematically examine alternative paths to choose the right balance. As a result, their efforts to improve the performance of individual paths, despite all good intentions, often lead to ultimate failure for their firms.

To solve this growth dilemma, the authors develop a systematic framework, the Resource Pathways Framework, based on their extensive research, teaching, and consulting experiences. This framework consists of a set of powerful questions whose answers force executives to make disciplined decisions. Are their internal resources relevant enough to support internal development? If not, can the desired resources be sourced through contracts? Do firms need to develop closer relationships with resource providers, thus making alliances more preferable? If none of the above choices are feasible and, therefore, the most complex mode, M&A, is warranted, then can the resource provider be integrated post-acquisition? The authors develop in-depth analyses around each question in separate chapters, and at the end provide a coherent framework that demonstrates how firms can dynamically manage their resource portfolios and, most important, develop a selection capability to choose the appropriate growth strategy. This dynamic approach is particularly relevant in the current turbulent market environment, which is fraught with institutional, technological, and demand uncertainties and disruptions.

The underlying theoretical approach of this book is the integration of the capability-based perspective with transaction cost economics (TCE). To appreciate the intellectual root of this theoretical approach, it is useful to turn to the University of

Michigan in Ann Arbor, an institution mentioned in the first sentence of the book's preface. As an interesting coincidence, much of the foundational work in the strategy field was carried out at Michigan around the 1980s—among others, Nelson and Winter wrote a significant portion of their evolutionary theory of economic change, Montgomery and Wernerfelt developed the resource-based view of the firm, and Prahalad and Hamel coined the term "core competence." A common theme running across this Michigan school of thought is the idea that capabilities are the fundamental driver of firm strategy and economic change. Situated in this scholarly vibrancy and carrying on this intellectual momentum, Capron and Mitchell started their decades-long collaboration. Mitchell started as an assistant professor at the University of Michigan in 1988 after obtaining his PhD at the University of California, Berkeley, the central camp of transaction cost economics. A few years later, Capron began to develop her seminal dissertation on resource allocation by way of corporate acquisitions while pursuing her PhD at HEC Paris and visiting the University of Michigan in Ann Arbor.

Against this backdrop we can better understand why the two authors integrate the capability and TCE perspectives to examine how firms strive to change and grow despite their innate tendency to stay put. While economic theories emphasize the importance of market power in the product market, what leads to sustainable advantage is not a given set of products per se, because consumer tastes and market environments change constantly, but ultimately the underlying capabilities that firms can utilize and recombine to create new products and novel innovations. It is fundamental, therefore, to treat resources and capabilities as the basic unit of analysis. This approach helps firms first identify the underlying capability gap, and then helps them pick the right growth mode based on the nature of that gap. Yet, the capability-based view is insufficient to fully capture how to effectively move resources on the strategic factor market, because it does not explain the transaction costs of doing so. Therefore, the TCE approach provides a powerful complement to the capability-based view, enabling us to better understand what capabilities to source and how to source them (Argyres & Zenger, 2012; Jacobides & Winter, 2005; Kaul, 2013; Madhok, 2002; Mahoney, 2001). *Build, Borrow, or Buy: Solving the Growth Dilemma* provides an organizing framework for synthesizing various theories in the literature and highlights

the dynamic process through which capability differences and corporate scope co-evolve as a promising research arena.

Because of its analytic rigor and practical relevance, I adopted the book as the primary textbook for my elective MBA course, Mergers, Acquisitions, and Corporate Development, at the University of Michigan's Ross School of Business. A crucial value of this book is that it simultaneously exposes students to a holistic perspective of various growth strategies. When my students study M&As now, they are constantly reminded that the first-order decision is not how to implement the M&A in isolation, but whether better alternative choices are available in the first place. This reminder is particularly relevant for these future executives because M&As are often chosen not for the purpose of maximizing shareholder value based on solid economic rationales, but as a result of agency behavior, hubris, or competitive escalation. In this regard, I believe this book would be best used with MBA students (both full-time and executive program) because they can directly apply the framework it provides in their work related to corporate development. Meanwhile, the book could work as a valuable research companion for PhD students interested in corporate strategy, or as an introductory text for undergraduates in business.

The text in this book nicely resonates with some popular teaching cases on mergers, acquisitions, and alliances, which can be conveniently assigned together. For example, when teaching about overcommitment in making acquisition decisions, the case "Acquisition Wave in Fine Chemicals" (INSEAD #306-323-1) by Capron and Horncastle provides a vivid illustration. When teaching about the postmerger integration timeline, the case "Microsoft's Acquisition of Sendit" (INSEAD #303-030-1) by Crawford and Zollo could be coherently used. When teaching about alliances, the case "The Amazon.com—Toys R' Us Alliance" (HEC-Duke #305-509-1) by Dussauge, Mitchell, and Rivera would be a solid companion. Further, there is also an on-line community where instructors can share experiences and draw from other materials, such as the authors' blog (<http://knowledge.insead.edu/blog/insead-blog/the-corporate-growth-dilemma-build-borrow-or-buy-2762>). Capron and Mitchell are also extremely helpful and supportive when asked questions not only on this book but on general teaching and research topics.

One additional strength of this book is that the authors' key messages do not just apply to ad-

vanced economies, but they also have profound implications for emerging markets. For example, many Chinese firms fell into the trap of overly relying on acquisitions when seeking to expand overseas, ignoring the difficulties associated with postmerger integration across cultures. As a consequence, many of these acquisitions failed. Perhaps a more viable strategy is what some Indian firms did—they first granted autonomy to the acquired overseas firms, gaining a better understanding of the local cultures and consumer preferences, and then engaged with more complete integration. *Build, Borrow, or Buy: Solving the Growth Dilemma* also sheds light on the interrelationship between growth choices and institutional dynamics. In the past, due to the weak intellectual property regime, markets for technologies were highly imperfect in China, so it was difficult to utilize contract or alliance strategy. However, as the institutional environment improves, the alliance strategy will likely gain more importance. Given such valuable implications, the book has extended its reach to a number of emerging economy countries, with translations into local languages (e.g., Chinese and Portuguese) available.

In sum, this book develops a holistic framework for firms' various growth choices, which is highly valuable not only to scholars interested in this central first-order theoretical question in corporate strategy, but also to practitioners who are constantly faced with the strategic challenge of how best to grow their firm. As a result, I would strongly recommend *Build, Borrow, or Buy: Solving the Growth Dilemma* to academics and practitioners alike.

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- Cheating in College—Why Students Do It and What Educators Can Do About It***, by Donald L. McCabe, Kenneth D. Butterfield, and Linda K. Treviño. 2012. 225 pages, hard cover. Baltimore, MD: Johns Hopkins University Press.

Reviewed by **Aditya Simha**, University of Wisconsin, Whitewater.

Academic cheating appears to be very much the flavor of the season or perhaps, has remained the flavor of the season for numerous years now. From cheating scandals at Harvard University to cheating scandals in Chinese “Gaokao” exams to cheating scandals at the University of Sydney, it appears that issues related to cheating and academic dishonesty can be found in all corners of the globe. In this comprehensive book, Donald L. McCabe, Kenneth D. Butterfield, and Linda K. Trevino offer us a look at the importance of academic integrity and the antecedents of academic dishonesty in colleges. They also offer suggestions to educators and administrators that can help them deal with academic dishonesty.

The authors do an exceptional job of initially and immediately impressing upon the reader the importance of academic integrity. They emphatically state their case that academic integrity is an important problem for all members of the academic community. I personally found the following point, “today’s college students represent tomorrow’s leaders” (3) to be the one that most appealed to me. There’s a strong possibility that today’s disingenuous students may well end up being tomorrow’s leaders who cause ethical and legal scandals for their organizations or nations. That fact coupled with the widespread rise of academic dishonesty makes it imperative that educators and administrators take steps to tackle this issue.

While the main focus of the book is on college students, it does bring to attention to the fact that cheating habits themselves tend to develop prior to college. According to the book’s authors, many students appear to view high school as a stopgap place before they get into the college of their