
Pre-Conference Workshop on behalf of the 70th
annual convention

of the German Academic Association for Business Research
at the School of Business & Economics, Freie Universität Berlin

LOGIT/PROBIT MODELS IN MANAGEMENT AND STRATEGY RESEARCH

With: Associate Professor Glenn Hoetker, PhD

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Organizer: Dr. Ingo Weller

Many outcomes of interest to management researchers have two or more discrete states, e.g., a firm fails or not. The standard models for such cases are the logit and probit models, which have become critical parts of the management researcher's analytical arsenal. However, a recent review of top management journals revealed numerous areas in their use and interpretation where current practice fell short of ideal. Failure to understand how these models differ from ordinary least squares can lead researchers to misunderstand their statistical results and draw incorrect conclusions regarding the theory they are testing. This workshop will provide both a theoretical understanding of the logit/probit models and practical advice on applying them. Basic knowledge of statistical analysis is required, but experience with the logit/probit models are not. We will cover the following topics:

- Background of the logit/probit models
- Interpreting logit/probit coefficients
- Modeling interactions between variables in logit/probit models
- Comparing coefficients between groups (e.g., foreign and domestic firms)
- Measures of model fit
- Extensions to the basic logit/probit model (a subset of the following will be discussed)
 - Multinomial logit/probit
 - Nested logit
 - Mixed logit
 - Ordered logit/probit
 - Logit/probit with panel data

The number of participants is limited to 24. Places are assigned in the order of the arrival of registrations. The workshop will be held in English.

Biographical notes

Glenn Hoetker, PhD

Associate Professor of Business Administration, University of Illinois

Glenn Hoetker is an associate professor of strategy and international business at the University of Illinois, holding concurrent appointments in the College of Law, the Institute for Genomic Biology, and

the Center for Advanced Study, where he is the Resident Associate leading the Science and Technology in the Pacific Century initiative. His research and teaching focuses on international technology strategy, with a particular focus on cooperation between firms, the diffusion of innovative knowledge, and the effect of national institutions on both. He is particularly interested in the institutions and economy of Japan. He is also very interested in empirical research methods and recently published "The use of logit and probit models in strategic management research: Critical issues" (Strategic Management Journal, 2007) and the associated "comlogit" package for Stata.

He earned his PhD in international business and a Masters of Applied Economics at the University of Michigan. He also holds an M.S. in library and information science from the University of Illinois and a B.A. in Japanese studies and mathematics from Earlham College. His professional experience includes directing research on Japanese business practices and government policy for the law firm Dewey Ballantine, serving as international policy analyst for the National Aeronautic and Space Administration, and – as Japanese information specialist for SCAN C2C, Inc. – performing research on Japanese technology and commerce for clients including General Electric, IBM and Ford Motor Company. He is on the Editorial Board of the Strategic Management Journal, the Academy of Management Journal, and Organization Science.