

ROBERT S. GIBBONS

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Citizenship: U.S.

Date of Birth: June 22, 1958

*POSITIONS*

Sloan Distinguished Professor of Management (2001-present), Sloan School of Management, and Professor of Organizational Economics, Department of Economics, MIT.

Frank W. Taussig Research Professor of Economics at Harvard University, 2007-08.

Marvin Bower Fellow, Harvard Business School, 2001-02.

Sloan Distinguished Professor of Management (1998-2001) and Professor of Organizational Economics and Strategy (1997), Sloan School of Management, MIT.

Charles Dyson Professor of Management (1995-1997), Professor of Economics (1993-95), and Associate Professor of Economics with tenure (1991-93), Johnson Graduate School of Management, Cornell University.

Research Associate (1992-present) and Faculty Research Fellow (1987-92), National Bureau of Economic Research.

Pentti J. K. Kouri Career Development Associate Professor (1990-91) and Assistant Professor (1985-90), Department of Economics, MIT.

Visiting Assistant Professor, Industrial Relations Section and Department of Economics, Princeton University, 1988-89.

*EDUCATION*

Ph. D. (Decision Sciences), Stanford University, Graduate School of Business, September 1985.

M. Phil. (Economics, with honours), Cambridge University, June 1981.

A. B. (Applied Mathematics, *magna cum laude*), Harvard University, June 1980.

*RESEARCH INTERESTS*

Theoretical and empirical models concerning (1) organizational design and performance (including organizational capabilities, corporate strategy, and extended enterprises) and (2) human resource management and labor economics.

**BOOKS**

*Game Theory for Applied Economists*, Princeton University Press, 1992. (International version: *A Primer in Game Theory*, Harvester-Wheatsheaf.) Translated into Chinese, Greek, Hungarian, Italian, Japanese, and Spanish.

*Handbook of Organizational Economics* (with J. Roberts, eds.), Princeton University Press, forthcoming 2012.

*Organizational Economics*, Princeton University Press, forthcoming 2015.

**PAPERS***Applied Theory:*

“Dissolving a Partnership Efficiently” (with P. Cramton and P. Klemperer). *Econometrica* 55 (1987): 615-32.

Reprinted in *The Economic Theory of Auctions*, P. Klemperer (ed.), Edward Elgar Publishing Limited (Cheltenham, U.K.), 1999.

“Simultaneous Signaling to the Capital and Product Markets” (with R. Gertner and D. Scharfstein). *Rand Journal of Economics* 19 (1988): 173-90.

“Cheap Talk Can Matter in Bargaining” (with J. Farrell). *Journal of Economic Theory* 48 (1989): 221-37.

Reprinted in *Bargaining with Incomplete Information*, P. Linhart, R. Radner, and M. Satterthwaite (eds.), Academic Press, 1992.

“Cheap Talk with Two Audiences” (with J. Farrell). *American Economic Review* 79 (1989): 1214-23.

“Cheap Talk about Specific Investments” (with J. Farrell). *Journal of Law, Economics, and Organization* 11(1995): 313-34.

“An Introduction to Applicable Game Theory.” *Journal of Economic Perspectives* 11 (1997): 127-49.

Reprinted in *Readings in Applied Microeconomic Theory: Market Forces and Solutions*, R. Kuenne (ed.), Blackwell Publishers, 2000.

“Rational-Expectations Equilibrium in Intermediate Goods Markets” (with R. Holden and M. Powell). Draft, August 2010.

*Labor Economics:*

“Piece-Rate Incentive Schemes.” *Journal of Labor Economics*, 5 (1987): 413-29.

“Learning in Equilibrium Models of Arbitration.” *American Economic Review* 78 (1988): 896-912.

“Layoffs and Lemons” (with L. Katz). *Journal of Labor Economics* 9 (1991): 351-80.

“Does Unmeasured Ability Explain Inter-Industry Wage Differences?” (with L. Katz). *Review of Economic Studies* 59 (1992): 515-35.

“Getting Together and Breaking Apart: The Decline of Centralized Collective Bargaining” (with R. Freeman). Chapter 10 in R. Freeman and L. Katz (eds.), *Differences and Changes in Wage Structures*, University of Chicago Press, 1995.

“Learning and Wage Dynamics” (with H. Farber). *Quarterly Journal of Economics* 111 (1996): 1007-47.

“Incentives and Careers in Organizations.” Chapter 1 in Volume II of D. Kreps and K. Wallis (eds.), *Advances in economics and econometrics: theory and applications*, Cambridge University Press, 1997.

“Careers in Organizations: Theory and Evidence” (with M. Waldman). Chapter 36 in Volume 3B of O. Ashenfelter and D. Card (eds.), *Handbook of Labor Economics*, North Holland, 1999.

“A Theory of Wage and Promotion Dynamics in Inside Firms” (with M. Waldman). *Quarterly Journal of Economics* 114(1999): 1321-58.

Reprinted in *Personnel Economics*, E. Lazear and R. McNabb (eds.), Edward Elgar, 2003.

“Task-Specific Human Capital” (with M. Waldman), *American Economic Review Papers and Proceedings* 94 (2004): 203-07.

“Comparative Advantage, Learning, and Sectoral Wage Differences” (with L. Katz, T. Lemieux and D. Parent). *Journal of Labor Economics* 23 (2005): 681-723.

“Enriching a Theory of Wage and Promotion Dynamics Inside Firms” (with M. Waldman). *Journal of Labor Economics* 24 (2006): 59-107.

#### *Political Economy:*

“Trust in Social Structures: Hobbes and Coase Meet Repeated Games.” Chapter 11 in K. Cook (ed.), *Trust in Society*, Russell Sage Foundation, 2001.

“Hobbesean Horseraces” (with A. Rutten). Draft, November 2007.

#### *Behavioral Game Theory:*

“When and Why Do Negotiators Outperform Game Theory?” (with M. Bazerman, L. Thompson, and K. Valley). Chapter 4 in R. Stern and J. Halpern (eds.), *Nonrational Elements of Organizational Decision Making*, ILR Press (Ithaca, NY), 1998.

“Contingent Social Utility in the Prisoners’ Dilemma” (with L. van Boven). *Journal of Economic Behavior and Organization* 1305 (2000): 1-17.

“How Communication Improves Efficiency in Bargaining Games” (with M. Bazerman, L. Thompson, and K. Valley), *Games and Economic Behavior* 38 (2002): 127-55.

Reprinted in *Negotiation, Decision Making and Conflict Management*, M. Bazerman (ed.), Edward Elgar, 2004.

*Incentive Contracts:*

“Relative Performance Evaluation for Chief Executive Officers” (with K.J. Murphy). *Industrial and Labor Relations Review* 43 (1990): 30S-51S.

Reprinted in *Do Compensation Policies Matter?*, R. Ehrenberg (ed.), ILR Press (Ithaca, NY) 1990.

Reprinted in *The Economics of Executive Compensation*, K. Hallock and K.J. Murphy (eds.), Edward Elgar, 1998.

Reprinted in *Personnel Economics*, E. Lazear and R. McNabb (eds.), Edward Elgar, 2003.

“Optimal Incentive Contracts in the Presence of Career Concerns: Theory and Evidence” (with K.J. Murphy). *Journal of Political Economy* 100 (1992): 468-505.

Reprinted in *The Economics of Executive Compensation*, K. Hallock and K.J. Murphy (eds.), Edward Elgar, 1998.

“Does Executive Compensation Affect Investment?” (with K.J. Murphy). *Journal of Applied Corporate Finance* 5 (1992): 99-109.

“Subjective Performance Measures in Optimal Incentive Contracts” (with G. Baker and K.J. Murphy). *Quarterly Journal of Economics* 109 (1994): 1125-56.

“Incentives in Organizations.” *Journal of Economic Perspectives* 12 (1998): 115-32.

“Incentives Between Firms (and Within).” *Management Science* 51 (2005): 2-17.

Reprinted in *The Economics of Organization and Bureaucracy*, P. Jackson (ed.), Edward Elgar, 2013.

*Organizational Economics:*

“Game Theory and Garbage Cans: An Introduction to the Economics of Internal Organization.” Chapter 2 in J. Halpern and R. Stern (eds.), *Debating Rationality: Nonrational Elements of Organizational Decision Making*, ILR Press (Ithaca, NY), 1998.

“Taking Coase Seriously.” *Administrative Science Quarterly* 44 (1999): 145-57.

“Informal Authority in Organizations” (with G. Baker and K.J. Murphy). *Journal of Law, Economics, and Organization* 15 (1999): 56-73.

Reprinted in *The Economics of Organization and Bureaucracy*, P. Jackson (ed.), Edward Elgar, 2013.

“Bringing the Market Inside the Firm?” (with G. Baker and K.J. Murphy), *American Economic Review Papers and Proceedings*, 91 (2001): 212-18.

“Firms (and Other Relationships).” Chapter 7 in P. DiMaggio (ed.), *The Twenty-First Century Firm: Changing Economic Organization in International Perspective*, Princeton University Press, 2001.

“Relational Contracts and the Theory of the Firm” (with G. Baker and K.J. Murphy), *Quarterly Journal of Economics* 117 (2002): 39-83.

Reprinted in *The International Library of the New Institutional Economics*, C. Menard (ed.), Edward Elgar, 2004.

“Team Theory, Garbage Cans, and Real Organizations: Some History and Prospects of Economic Research on Decision-Making in Organizations.” *Industrial and Corporate Change* 12 (2003): 753-87.

Reprinted in *Fundamentals of Business Strategy*, M. Augier and D. Teece (eds.), SAGE Publications, London, 2007.

“What Is Economic Sociology and Should Any Economists Care?” *Journal of Economic Perspectives* 19 (2005): 3-7.

“Four Formal(izable) Theories of the Firm.” *Journal of Economic Behavior and Organization* 58 (2005): 202-47.

Reprinted in *The Economics of Organization and Bureaucracy*, P. Jackson (ed.), Edward Elgar, 2013.

“What the Folk Theorem Doesn’t Tell Us.” *Industrial and Corporate Change* 15 (2006): 381-86.

“Strategic Alliances: Bridges Between ‘Islands of Conscious Power’” (with G. Baker and K.J. Murphy). *Journal of the Japanese and International Economies* 22 (2008): 146-63.

Reprinted in *The Economics of Organization and Bureaucracy*, P. Jackson (ed.), Edward Elgar, 2013.

“Transaction-Cost Economics: Past, Present, and Future?” *Scandinavian Journal of Economics* 112 (2010): 263-88.

“Inside Organizations: Pricing, Politics, and Path-Dependence.” *Annual Review of Economics* 2 (2010): 337-65.

“Relational Contracts and Organizational Capabilities” (with R. Henderson). July, 2011. Forthcoming in *Organization Science*.

“Organization and Information: Firms’ Governance in Rational-Expectations Equilibrium” (with R. Holden and M. Powell). November 2011. Forthcoming in *Quarterly Journal of Economics*.

“Performance Differences, Managerial Practices, and Relational Contracts” (with R. Henderson). To appear in *Handbook of Organizational Economics* (R. Gibbons and J. Roberts, eds.), Princeton University Press.

“Decisions in Organizations” (with N. Matouschek and J. Roberts). To appear in *Handbook of Organizational Economics* (R. Gibbons and J. Roberts, eds.), Princeton University Press.

“Incentives in Organizations” (with J. Roberts). To appear in *Handbook of Organizational Economics* (R. Gibbons and J. Roberts, eds.), Princeton University Press.

“Relational Adaptation” (with G. Baker and K.J. Murphy). Draft, December 2011 (formerly “Contracting for Control” and “s Happens: Relational Adaptation in Contracts, Firms, and Other Governance Structures”).

“Reel Authority: Theory and Evidence on Relational Renegotiation in the Movie Industry” (with D. Barron, R. Gil, and K.J. Murphy). Draft, January 2012.

#### *Health Care Delivery:*

“The Heterogeneity of Concentrated Prescribing Behavior: Theory and Evidence from Antipsychotics” (with A. Levine Taub, A. Kolotilin, and E. Berndt). Draft, November 2011.

#### *ACTIVITIES*

Founding Director, Working Group on Organizational Economics, National Bureau of Economic Research, 2002-present.

Co-Principal Investigator, MIT’s Program on Innovation in Markets and Organizations, 2002-present.

Member, Fellow Selection Committee, Center for Advanced Study in the Behavioral Sciences, 2007-2008, 2011-2013.

Member, Board of Trustees, Center for Advanced Study in the Behavioral Sciences, 2000-2006; Vice chairman, 2001-2004.

Member, Advisory Board, Citigroup Behavioral Science Research Council, 1994-2000; Chair, 2000.

Co-Editor, *Journal of Labor Economics*, 1993-1996

Associate Editor, *Journal of Economic Perspectives*, 1994-1998

Associate Editor, *Quarterly Journal of Economics*, 1990-1998

Marshall Distinguished Visitor, University of Southern California, October 2010.

Invited lecturer, University of New South Wales (12-lecture course on organizational economics), June-July 2010.

John Weatherall Distinguished Fellow, Department of Economics, Queen’s University, May 2009.

Member of Organizing Committee and Opening Speaker, Nobel Symposium on “Foundations of Organization.” August 2008.

Invited lecturer, Hitotsubashi University (8-lecture course on organizational economics), March 2008.

Invited lecturer, Chaire des Ameriques, University of Paris 1 Panthéon-Sorbonne (6-lecture course on organizational economics), October 2007.

Invited lecturer, Departments of Economics and Finance, Shanghai Jiao Tong University (10-lecture course on organizational economics), October 2006.

Inaugural lecturer, Tinbergen Institute Lecture Series, Departments of Economics, Amsterdam and Rotterdam (6-lecture course on organizational economics), May 2006.

Invited lecturer, Department of Economics, University of Paris X and ATOM (5-lecture course on organizational economics), March 2005.

Marshall Distinguished Visiting Scholar, University of Southern California, March 2004.

Invited lecturer, Department of Economics, Universitat Pompeu Fabra, Barcelona (4-lecture doctoral course on organizational economics), April 2002.

Invited lecturer, Department of Economics and Political Science, INSEAD (5-lecture doctoral course on organizational economics), March 2001.

Invited lecturer, Department of Economics, European University Institute, Florence (5-lecture doctoral course on organizational economics), April 2000.

Invited lecturer, Institute for Empirical Research in Economics, University of Zuerich, Switzerland (5-lecture doctoral course on organizational economics), April 1999.

Invited lecturer, Norwegian Research Centre in Organization and Management, University of Bergen (10-lecture course on organizational economics), May 1996.

Invited survey (“Incentives and Careers in Organizations”), 7th World Congress of the Econometric Society, August 1995.

Keynote Address (“Game Theory and Garbage Cans”), 19th Annual Stanford Conference on Organizations at Asilomar, April 1995.

Founding Director, Cornell University Multi-Disciplinary Research Program on Organizations and Institutions, 1996-1997

Co-Organizer (with H. Farber), “What Do Employers Do? The Roles of Firms in Internal and External Labor Markets” (Universities Research Conference, funded by National Science Foundation and National Bureau of Economic Research), December 1996.

Co-Organizer (with L. Katz and R. Thaler), Russell Sage-NBER Conference on Behavioral Labor Economics, March 1995.

Co-Organizer (with C. Camerer and R. Thaler), Russell Sage-NBER Conference on Behavioral Game Theory, October 1993.

Co-Director (with M. Bazerman, H. Farber, and K. Murnighan), 1992 Summer Institute on Negotiation and Dispute Resolution, Center for Advanced Study in the Behavioral Sciences, Stanford University.

Program Committee (with responsibilities in organizational economics and contract theory), 2005 North American Winter Meeting of the Econometric Society.

Program Committee (with responsibilities in contract theory and organizational economics), 2001 North American Summer Meeting of the Econometric Society.

Program Committee (with responsibilities in agency theory, labor economics, and organization theory), 7th World Congress of the Econometric Society, August 1995.

Program Committee (responsible for labor economics) for Winter 1990 meetings of the Econometric Society.

#### *GRANTS AND AWARDS*

Teacher of the Year, MIT Economics Department, 2009-10

Member, American Academy of Arts and Sciences, 2009-present.

Fellow, Society of Labor Economists, 2008-present

*Who's Who in Economics*. Edward Elgar, 2003.

Fellow, Econometric Society, 2002-present

National Science Foundation Grant, "The Economics and Sociology of Second-Best Organizations," 1998-2001

Graduate Student Council Teaching Award, MIT's Sloan School of Management, 1997-98

Fellow, Center for Advanced Study in the Behavioral Sciences (Stanford, CA), 1994-95.

H. Gregg Lewis Prize, 1992 (for best article in *Journal of Labor Economics* during 1990 and 1991: "Layoffs and Lemons" with L. Katz)

National Science Foundation Grant, "Empirical and Theoretical Models of Earnings and Employment," (with L. Katz), 1990-92

Alfred P. Sloan Research Fellowship, 1990-92

National Bureau of Economic Research Olin Fellowship, 1990-91

National Science Foundation Grant, "Empirical and Theoretical Studies of Wages, Mobility, and Bargaining" (with L. Katz), 1988-90

Teacher of the Year, MIT Economics Department, 1987-88

National Science Foundation Grant, "Strategic Information Transmission in Labor Markets,"  
1986-87

Graduate Student Council Teaching Award, MIT Economics Department, 1986-87

National Science Foundation Graduate Fellowship, 1981-84

Frank Knox Memorial Fellowship, 1980-81

Phi Beta Kappa, Harvard College, 1980

### *TEACHING*

Managing the Modern Organization: Organizational Economics and Corporate Strategy (for MBAs)

Organizational Economics (for PhDs)

Contract Economics (with Bengt Holmstrom, for PhDs)

Strategic Management (for MBAs)

Behavioral Game Theory (with Richard Thaler and Kathleen Valley for PhDs)

Labor Economics (with Henry Farber and with Thomas Lemieux, for PhDs)

Advanced Topics in Labor Economics (with Lawrence Katz and with John Abowd, for PhDs)

Introduction to Game Theory (for PhDs)

Economic Applications of Game Theory (for PhDs)

Contract Theory (for PhDs)

Introduction to Economic Applications of Game Theory (for undergraduates)