

Master of Research in Management Sciences (MRes)

Academic Year: 2008-2009

Module: 1

Course: Organizational Theory

Code: 08CMR15153

ECTS Credits: 3

Credit Category: Compulsory

Faculty: François Collet

Description:

In principle, organization theory is largely sociological and aims to explain the origins, functioning, and disappearance of the institutional structures that order economic life (organizations, firms, networks, markets, and others). Contemporary perspectives emphasize the interaction between organizations and the environments in which they operate. Organization theory is often contrasted with organizational behavior which focuses more on psychology and individuals.

The course is organized around several topics. These topics draw from several social science disciplines: economics, history, psychology and sociology. These disciplines imply different epistemological and methodological approach, about which you will learn more through readings and in the epistemology and research methods courses. The course cannot cover all or even most of the substantive topics. However, it aims to help you to develop an understanding of the linkages amongst sometimes competing perspectives to study a subject matter.

In assessing different theoretical perspectives we will examine the mechanisms operating at the core of each of them. We will identify their scope conditions and their limitations. We will also evaluate the quality of empirical support for the different perspectives. Finally we will attempt to discuss means of strengthening both arguments and evidence.

Objectives:

The course has two main objectives: First, students will build the skills needed to critique current organizational theory and research. Second, it will help students to identify promising areas for future research and designing effective means of addressing them. In other words, the objective of this course is not limited to the educated consumption of organization theory literature. Its objective is to help student to be in a position to make a contribution.

Syllabus and Bibliography:

Topic 1: The rise of modern organizations

- Weber, M., G. Roth, et al. (1978). *Economy and society : an outline of interpretive sociology*. Berkeley, University of California Press. P212-254, 956-963.
- Barley, S. and K. G. (1992). "Design and Devotion: Surges of Rational and Normative Ideologies of Control in Managerial Discourse." *Administrative Science Quarterly* 37: 363-399.
- Chandler, A. D. (1977). Chapter 1&2. *The visible hand : the managerial revolution in American business*. Cambridge, Mass., Belknap Press: 1-78.
- Guillen, M. F. (1994). Chapter 2. *Models of management : work, authority and organization in a comparative perspective*, University of Chicago Press: 30-90.
- Shenhav, Y. (1995). "From Chaos to systems:The engineering foundations of organization theory." *Administrative Science Quarterly* 40: 557-86.
- Taylor, F. W. (1986). *The principles of scientific management*. Easton, Hive Publishing Company.

Topic 2: The Carnegie School

A. *The Decision-Making Tradition*

- Simon, Herbert. 1997. *Administrative Behavior*, 4th edition. Free Press. Ch. 5 and commentary on *The Psychology of Administrative Decisions*.
- March, James G., and Herbert Simon. 1958. *Organizations*. McGraw-Hill, Ch. 6, "Cognitive Limits on Rationality,"
- Cyert, Richard and James G. March. 1963. *A Behavioral Theory of the Firm*. Prentice-Hall, Ch. 6: *A Summary of Basic Concepts*, pp. 114-127.
- Perrow, Charles, 1986. "The neo-Weberian Model," *Complex Organizations*, pp. 119-31,
- Cohen, Michael and James G. March. 1973. *Leadership and Ambiguity: The American College President*. McGraw Hill. Pp. 1-5, 29-40, 81-91, 195-229. (Especially recommended for SUSE students.)

Topic 3: Markets and Hierarchies

- Coase, R.H. (Nov 1937) 'The nature of the firm', *Economica*, 4 (16): 386-405.
- *Symposium on the General Motors - Fisher Body case, *Journal of Law and Economics*, 43 (1), April 2000, esp. articles by Casadesus-Masanell, Ramon et al.
- Geyskens, I. et al (2006) 'Make, buy, or ally: a transaction cost theory meta-analysis' *Academy of Management Journal*, 49: 519-543.
- Gibbons, R. (Oct 2005) 'Four formal(lizable) theories of the firm', *Journal of Economic Behavior and Organization*, 58 (2): 200-245.
- Godfrey, P.C. and Hill, C.W.L. (Oct 1995) 'The problem of unobservables in strategic management research', *Strategic Management Journal*, 16 (7): 519-533.
- Shelanski, H.A. and Klein, P.G. (1995) 'Empirical research in transaction cost economics: a review and assessment' *Journal of Law, Economics, and Organization*, 11(2): 335-361.

- Williamson, O.E. (1994) 'Transaction cost economics and organization theory', in: *The handbook of economic sociology* edited by Smelser, N.J. and Swedberg, R., pp. 77-102. New Jersey: Princeton University Press.

Topic 4: Diffusion and Learning

- March, James and Johan Olsen. Chapters 1-4 of *Ambiguity and Choice in Organizations*, Bergen: Universitetsforlaget, 1976, pp. 10-68.
- March, James G. 1991. "Exploration and Exploitation in Organizational Learning." *Organization Science* 2(1): 71-87.
- Cohen, Wesley and Daniel Levinthal. 1990. "Absorptive Capacity: A new perspective on learning and innovation." *ASQ* 35: 128-52.
- Tolbert, Pamela S. and Lynne G. Zucker. 1983. "Institutional Sources of Change in the Formal Structure of Organizations: The Diffusion of Civil Service Reform, 1880-1935." *ASQ*, 28, 1, 22-40.
- Ingram, Paul and Hayagreeva Rao. 2004. Store Wars: The Enactment and Repeal of Anti-Chain Store Legislation in America. *AJS*. 110: 2, 446-487.
- Fligstein, Neil. 1985. "The Spread of the Multidivisional Form Among Large Firms, 1919-1979" *ASR*, 50: 377-391.
- Davis, Gerald F. 1991. "Agents without Principles? The Spread of the Poison Pill through the Intercorporate Network." *ASQ*. 36: 583-613.
- Haunschild, Pamela R. and Christine M. Beckman. 2001. "Network Learning: The Effects of Partner's Heterogeneity of Experience on Corporate Acquisitions." *ASQ*, 47: 92-124.
- Argote, L. and Ophir, R. (2001) "Intraorganizational learning", pp. 181-207 in J. Baum (ed.) *The Blackwell companion to organizations*. Oxford: Blackwell.
- Bray, David A., "Literature Review - Knowledge Management Research at the Organizational Level" (May 2007). Available at SSRN: <http://ssrn.com/abstract=991169>
- Easterby-Smith, M. and M. A. Lyles (editors). (2003). *The Blackwell Handbook of Organizational Learning and Knowledge Management*, Oxford, Blackwell Publishing.
- Schulz, M. (2001) "Organizational learning", pp. 415-441 in J. Baum (ed.) *The Blackwell companion to organizations*. Oxford: Blackwell. Strang, D. and Soule, S.A. (1998) "Diffusion in organizations and social movements: from hybrid corn to poison pills", *Annual Review of Sociology*, 24 (1): 265-290.

Topic 5: Institutional Theory

- Meyer, J.W. and Rowan, B. (Sep 1977) "Institutionalized organizations: formal structure as myth and ceremony", *American Journal of Sociology*, 83 (2): 340-363.
- DiMaggio, P.J. and Powell, W.W. (Apr 1983) "The Iron Cage revisited: institutional isomorphism and collective rationality in organizational fields", *American Sociological Review*, 48 (2): 147-160.
- Barley, S.R. and Tolbart, P.S. (1997) "Institutionalization and structuration: studying the links between action and institution", *Organization Studies*, 18 (1): 93-117.
- Suchman, M.C. (Jul 1995) "Managing legitimacy: strategic and institutional approaches", *Academy of Management Review*, 20 (3): 571-610.

- Fligstein, N. (Jun 1985) "The spread of the multidivisional form among large firms, 1919-1979", *American Sociological Review*, 50 (3): 377-91.
- Ocasio, W and Kim, H. (Sep 1999) "The circulation of corporate control: selection of functional backgrounds of new CEOs in large U.S. manufacturing firms, 1981-1992", *Administrative Science Quarterly*, 44 (3): 532-62.

Topic 6. Organizations and Markets

- Granovetter, Mark. 1985. "Economic action and social structure: A theory of embeddedness." *AJS* 91:481-510.
- Bourdieu, P. ([2000] 2005). *The Social Structures of the Economy*, Polity Press.
- Geertz, Clifford 1978. "The Bazaar Economy: Information and Search in Peasant Marketing (in *Economics and Anthropology: Developing and Primitive Economies*)", *The American Economic Review*, 68, 2, 28-32.
- Uzzi, Brian. 1996. "The sources and consequences of embeddedness for the economic performance of organizations: The network effect." *ASR* 61:674-698.
- Uzzi, B. (Mar 1997) "Social structure and competition in interfirm networks: the paradox of embeddedness", *Administrative Science Quarterly*, 42 (1): 35-67. Article available on Business Source Complete.
- Baker, Wayne E. 1984. "The social structure of a national securities market." *AJS* 89:775-811.
- Zuckerman EW. 1999. "The categorical imperative: Securities analysts and the illegitimacy discount." *AJS* 104:(5) 1398-1438.
- Greta R. Krippner. 2005. "The Financialization of the American Economy." *Socio-Economic Review* 3: 173-208.
- Greta R. Krippner. 2005. Data Appendix to "The Financialization of the American Economy."
- Eccles, Robert G. and Harrison White. 1988. "Price and authority in inter-profit center transactions." *AJS*, 94: S17-S51.

Topic 7: Inter-personal Networks

- Krackhardt, D. and Brass, D.J. (1994) "Intraorganizational networks: the micro side" in *Advances in social network analysis*, edited by Wasserman, S. and Galaskiewicz, J. Thousand Oaks, CA: Sage Publications, pp. 207-229
- Burt, R.S. (Jun 1997) 'The contingent value of social capital', *Administrative Science Quarterly*, 42 (2): 339-365.
- Podolny, J.M. and Baron, J.M. (Oct 1997) 'Resources and relationships: social networks and mobility in the workplace', *American Sociological Review*, 62 (5): 673-93.
- Burt, R.S. (May 1987) 'Social contagion and innovation: cohesion versus structural equivalence', *American Journal of Sociology*, 92 (6): 1287-1335.
- Krackhardt, D. and Porter, L.W. (Jun 1985) 'When friends leave: a structural analysis of the relationship between turnover and stayers' attitudes', *Administrative Science Quarterly*, 30 (2): 242-61.
- Mizruchi, M.S. and Stearns, L.B. (Oct 2001) 'Getting deals done: the use of social networks in bank decision-making', *American Sociological Review*, 66 (5): 647-671.
- Mizruchi, M.S., Stearns, L.B. and Marquis, C. (Apr 2006) 'The conditional nature of embeddedness: a study of borrowing by large U.S. firms, 1973-1994', *American Sociological Review*, 71 (2): 310-333.

Topic 8: Networks Among organizations

- Gulati, Ranjay and Martin Gargiulo. 1999. "Where do interorganizational networks come from?" *AJS* 104:1439-1493
- Stuart, Toby E., Ha Hoang and Ralph Hybels. 1999. "Interorganizational Endorsements and the Performance of Entrepreneurial Ventures." *ASQ*, 44, 2, 315-350.
- Hedstrom, Peter. 1994. "Contagious collectivities: On the spatial diffusion of Swedish trade unions, 1890-1940." *AJS*, 99:1157-1179.
- Sorensen, Olav and Toby E. Stuart. 2001. "Syndication networks and spatial distribution of venture capital investments." *AJS* 106: 1546-1588.
- Sorenson, Olav and Waguespack, D. 2006. "Social structure and exchange: Self-confirming dynamics in Hollywood," *ASQ*, 51, 560-589.

Topic 9: Population Ecology Perspective

- Hannan, Michael T., and John Freeman. 1977. "The Population Ecology of Organizations." *AJS*, 82: 929-964.
- Hannan, Michael T., and John Freeman. 1984. "Structural Inertia and Organizational Change." *ASR*, 49: 149-
- Carroll, G.R. (May 1985) "Concentration and specialization: dynamics of niche width in populations of organizations", *American Journal of Sociology*, 90 (6): 1262-83.
- Carroll, G.R. and Hannan, M.T. (2000) *The demography of corporations and industries*. Princeton, NJ: Princeton University Press.
- Dobrev, Stanislav and Tai-Young Kim (2006). Positioning among Organizations in a Population: Moves between Market Segments and the Evolution of Industry Structure. *ASQ*, 61: 230-261.

Topic 10 Intersection between organizational and career processes

- Fernandez, Roberto M., Emilio J. Castilla, and Paul Moore. 2000. "Social capital at work: Networks and employment at a phone center." *AJS*, 105:1288-1356.
- Phillips, Damon J. 2005. "Organizational Genealogies and the Persistence of Gender Inequality: The Case of Silicon Valley Law Firms." *ASQ*.
- Kalev, Alexandra, Frank Dobbin, and Erin Kelly. 2006. "Best Practices or Best Guesses? Diversity Management and the Remediation of Inequality." *ASR*. 71: 589-917.
- Fernandez-Mateo, Isabel 2007. Who Pays the Price of Brokerage? Transferring Constraint through Price Setting in the Staffing Sector. *ASR*, 72, 2, pp. 291-317.

Topic 11 Complexity Theory and Evolutionary Theories

- Van de Ven, A.H. and Poole, M.S. (Jul 1995) "Explaining development and change in organizations", *Academy of Management Review*, 20 (3): 510-540.
- Aldrich, H.E. (1999) *Organizations evolving*. London: Sage. Especially chapters 2 and 3.
- Baum, J.A.C. and McKelvey, B. (eds.) (1999) *Variations in organization science: in honor of Donald T. Campbell*. London: Sage.

- Levinthal, D.A. (Jul 1997) "Adaptation on rugged landscapes", *Management Science*, 43 (7):934-950.
- Kogut, B. (Mar 2000) "The network as knowledge: generative rules and the emergence of structure", *Strategic Management Journal*, 21 (3): 405-425.
- Eisenhardt, K.M. and Bhatia, M.M. (2002) "Organizational complexity and computation", pp.442-466 in J.A.C. Baum (ed.) *The Blackwell companion to organizations*. Oxford: Blackwell.
- Rivkin, J.W. (Jun 2000) "Imitation of complex strategies", *Management Science*, 46 (6): 824-844.
- Hodgson, G. M. and Knudsen, T. (2006) "Dismantling Lamarckism: why descriptions of socioeconomic evolution as Lamarckian are misleading", *Journal of Evolutionary Economics*, 16(4):

Methodology:

The goal of this course is to prepare you to engage in the central debates in organizational and economic sociology. As such, it is important that you hone your skills in discussing and critiquing both arguments and evidence. You not only need to understand the arguments, you also need to be able to talk (and write) about them.

For this reason, this course is in a seminar format. To facilitate discussion, one or more students will assume the role of discussant each week. Each student will be required to assume this role at least once during the quarter. The discussant's responsibility is to (1) come prepared with memo to distribute that highlights and presents discussion questions around the main issues in the week's reading, (2) isolate the main points of debate, and (3) help lead the discussion about these issues. It is essential that you be prepared to discuss the readings each week. We will read at least four research articles per session. This is a substantial amount of material to digest, so give yourself ample time to prepare. For each reading, you should try to answer the following questions:

- What is the central theoretical question?
- What are the primary social mechanisms identified by the author(s)?
- What type of evidence is brought to bear on the issues? Is it convincing?
- Can this type of reasoning be applied to other settings? Under what conditions?
- What are the main problems with the research? How would you improve the paper?

Assessment:

Evaluation:

Students enrolled for credit will receive a grade based on [1] class participation (30%), [2] a written review of a pre-published paper assigned in the fourth week and due in the fifth (15%), [3] a 3-5 page introduction of your final paper due in week eight (15%), and [4] a final paper due in the tenth week (40%). The requirements for the written review and final paper will be discussed in the first week of class.

Performance criteria:

Students enrolled for credit will receive a grade based on [1] class participation (30%), [2] a written review of a pre-published paper [3] a 3-5 page introduction of your final

paper and [4] a final paper. The requirements for the written review and final paper will be discussed in the first week of class.

Timetable:

Every Thursday from 30/10/08 to 13/11/08

Every Thursday from 20/11/08 to 11/12/08

From 09:00 h. to 12:00 h.

Exam 18/12/08

At 09:00 h.