

BMGT 878T: Organization Theory

Fall 2013 – Term B

Wednesday, Oct 23 - Dec 11, 1:30 PM – 5:00 PM, Room: VMH 4535

(no class on Nov 27)

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Objectives

This course introduces students to many of the core theoretical underpinnings of current organizational theory. Our primary goal is to cover some of the major theoretical approaches to organizations (i.e., resource dependence, institutional theory, and behavioral theories), and we will examine recent advances in theory and research that extend these approaches in interesting ways. During the course of the quarter, you will develop a solid understanding of some of the major perspectives guiding the study of organizations and you will examine how different theoretical perspectives are tested.

We will discuss the theoretical underpinnings of the assigned articles, the relationship between the different streams of research, and the methods employed in devising empirical evidence of these suppositions (including a rudimentary understanding of how the data was gathered and the statistical proof employed). Students should therefore come prepared to discuss the main arguments in the readings for the week, to explain how they may relate to one another, and to proffer possible extensions to these papers.

Participation

As this is a PhD-level seminar class, discussions should be predominantly student driven. Please coordinate among yourselves so that each person takes up the lead role of discussion on an assigned paper. Your participation in this seminar is crucial for its success. I will facilitate and direct the discussion while your responsibility is to engage each other in developing a critical understanding of each topic and paper. I will guide the discussion in a more focused direction if I feel the point is being lost. While I will not take attendance per se, participation is a substantial part of your grade and it will likely suffer with excessive absences.

Assignments

Weekly Assignments

(1) Each week, there are about 4-6 papers that are marked as assigned readings that we will focus more of our class time on. Please organize among yourselves so that there will be at least one student in charge of summarizing the paper and leading the discussion on that paper. The procedure we will follow every week is as below:

- (i) To lead the discussion, prepare a few slides in advance.

- (ii) During the class, discuss the paper with the help of your slides.
- (iii) You first present to the rest of the class a brief summary of what the paper is about—this can be brief as I expect everyone has read the papers.
- (iv) Next, entertain questions from your fellow students. You can also use the chance to discuss your own questions and doubts about the paper.
- (v) To wrap up the discussion, present to the class your view of the strength (theoretically and empirically) and weakness of the paper. Pay particular attention to where a paper stands in the theoretical landscape, particularly among all the papers you have read in a session, and among the relevant topics and themes that we focus in the week.

(2) Students will learn how to ask good research questions. This is a crucial skill for contributing to the literature and does not come naturally. It requires practice. For each class, you should come with a 1-page sketch of a research question that was stimulated by the readings. These write-ups should clearly state the question, how it follows from the readings, and how answering such a question may advance our understanding of the issues at hand. If we have time in class, we will discuss some of the proposed ideas. **Please put into course dropbox your write-up at least two hours before class so that I can print them out as the basis of class discussion.**

Major Assignments

The portion of the assignment is flexible. You have three options. Second-year students can choose between #1 and #2, but not #3. First-year students can choose any of the three.

(1) Standard term paper: You will submit a 10-15 page paper that develops, in-depth, an approach to one of the research questions of your choice. The paper is due at the end of the semester. The topics can be from either half of the class. This paper should explain why the question is interesting and theoretically important, develop an argument drawing on appropriate theory, identify specific hypotheses, and sketch a way to test one or more implications of the argument empirically (including, as much as possible, research contexts, variable operationalization, and statistical tests, etc.).

(2) Two critical-review write-ups: With this option, you pick two of the papers we have read in our class and write a critical review and reaction essay on each of them. The format and requirements are similar to what we sketched out for each class session, except that your review needs to be more thorough and comprehensive. This might mean additional reading outside the scope of our syllabus to get a good grip of the relevant literature. In the reaction part of the essay, you will need to propose your own idea to fix the problems in the reviewed paper, or advance the theories or empirical tests in the related areas. In this part, ideally you want to propose clear hypotheses, as well as methodology to test the hypotheses, as much as possible. In a nutshell, think about this option as a shorter version (6-7 pages) of the term paper requirement in option one. And because it is shorter, you do two of them. Deadline for this option is the same as option 1.

(3) Weekly write-ups: Each week, you provide with me a 1-2 page write-up. This can be a review of the article you are assigned to lead discussion. It can also be covering more than one paper in the session. Alternatively, you can express some general thoughts about the collection of papers read during the

week, or the overall topic and research trend related to the topic. The better quality of these write-ups should show critical assessment of current research and seeds of ideas that I can see the potential of developing into good research projects.

Grading

This class must be taken for a letter grade. Assignments and their approximate weights are as follows:

1. Weekly assignment, including participation (30%)
2. Major assignment (60%)

Overview of Schedule and Topics

Oct 23: Behavioral Theory I: Routines & Performance Feedback

Oct 30: Behavioral Theory II: Organizational Learning

Nov 6: Institutional Theory I: Institutional Work and Institutional Entrepreneurship

Nov 13: Institutional Theory II: Institutional Logics

Nov 20: Resource Dependence and Power

Dec 4: Entrepreneurship and Imprinting

Dec 11: Critique and Future of Organization Theory

Readings List

Most published papers are available on the Web of Science (access via library electronic resources). Check the canvas for the course first; many of the readings are already in the folder and the rest can be found from WoS. Book chapters are in canvas already, so there is no need for you to purchase any textbook.

* Assigned readings; other readings are optional.

Oct 23: Behavioral Theory I: Routines & Performance Feedback

1. Richard Cyert and James G. March. 1963. *The Behavioral Theory of the Firm 2nd edition*. Chapter 7: A Summary of Basic Concepts. *
2. Gavetti, G., Greve, H. Levinthal, D., and W. Ocasio. 2012. The Behavioral Theory of the Firm: Assessment and Prospects, *The Academy of Management Annals*. *
3. Greve, Henrich R. 1998. "Performance, aspirations and risky organizational change." *Administrative Science Quarterly*, 43: 58-86. *
4. Desai, Vinit M. 2008. Constrained growth: How experience, legitimacy and age influence risk taking in organizations. *Organization Science*, 19: 594-608. *
5. Rerup, Claus, and Martha S. Feldman. 2011. "Routines as a source of change in organizational schemata: The role of trial-and-error learning." *Academy of Management Journal*, 54: 577-610. *
6. Feldman, Martha S. and Brian T. Pentland. 2003. "Reconceptualizing organizational routines as a source of flexibility and change." *Administrative Science Quarterly* 48: 94-118. (Best Paper)
7. Richard Cyert and James G. March. 1963. *The Behavioral Theory of the Firm*. Chapters 1-5.
8. Gavetti, G., Levinthal, D., & Ocasio, W. 2007. Perspective--Neo-Carnegie: The Carnegie School's Past, Present, and Reconstructing for the Future. *Organization Science*, 18(3): 523-536.
9. Scott, W.R. & Davis, G.F. 2006. *Organizations and Organizing: Rational, Natural and Open System Perspectives*. Upper Saddle River, NJ: Prentice Hall. Chapters 4-5. (Good background).
10. Greve, H. R. 2003. *Organizational Learning from Performance Feedback*. Cambridge: Cambridge University Press. Chapter 3.
11. Levinthal, Daniel A., & Rerup, Claus. 2006. Crossing an apparent chasm: Bridging mindful and less mindful perspectives on organizational learning. *Organization Science*, 17: 502–513.

Oct 30: Behavioral Theory II: Organizational Learning

1. March, James G. 1991. "Exploration and Exploitation in Organizational Learning." *Organization Science* 2: 71-87. *
2. Levinthal, D.A., March, J.G. 1993. "The myopia of learning" *Strategic Management Journal* 52: 95-112. *
3. Madsen, Peter M., and Vinit Desai. 2010. Failing to learn? The effects of failure and success on organizational learning in the global orbital launch vehicle industry. *Academy of Management Journal*, 53: 451-476. *
4. Beckman, Christine M. and Pamela Haunschild. 2002. "Network learning: The effects of heterogeneity of partners' experience on corporate acquisitions." *Administrative Science Quarterly*, 46: 92-124. *
5. Bernstein, Ethan. 2012. The transparency paradox: A role for privacy in organizational learning and organizational control. *Administrative Science Quarterly*, 57: 181-216. *
6. Cohen, W.M. & Levinthal, D.A. 1990. Absorptive Capacity: A new perspective on learning and innovation. *Administrative Science Quarterly* 35: 128-152.

7. Levitt, Barbara and James G. March. 1988. "Organizational Learning." *Annual Review of Sociology* 14: 319-340.
8. Benner, Mary J., and Michael Tushman, 2002. Process Management and Technological Innovation: A longitudinal study of the photography and paint industries. *Administrative Science Quarterly*, 47: 676-706.
9. Haunschild, Pamela R. and Anne S. Miner. 1997. "Modes of interorganizational imitation: The effects of outcome salience and uncertainty." *Administrative Science Quarterly*, 42: 472-500.
10. Katila, R., Chen, E.L. 2008. Effects of search timing on innovation: The value of not being in sync with rivals. *Administrative Science Quarterly*.
11. Denrell, Jerker. 2003. Vicarious learning, undersampling of failure, and the myths of management. *Organization Science*, 14: 227-243.

Nov 6: Institutional Theory I: New Institutionalism, Institutional Entrepreneurship & Institutional Work

1. Meyer, John W. and Brian Rowan. 1977. "Institutionalized organizations: Formal structure as myth and ceremony." *American Journal of Sociology*, 83: 340-363. *
2. DiMaggio, Paul J. and Walter W. Powell. 1983. "The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields." *American Sociological Review*, 48: 147-160. *
3. Zelner, Bennet A., Witold J. Henisz, Guy LF Holburn. 2009. Contentious implementation and retrenchment in neoliberal policy reform: The global electric power industry, 1989-2001. *Administrative Science Quarterly*, 54: 379-412. *
4. Greenwood, Royston and Roy Suddaby. 2006. Institutional entrepreneurship in mature fields: The big five accounting firms. *Academy of Management Journal*, 49: 27-48. (AMJ Best Paper) *
5. Zietsma, C., & Lawrence, T.B. 2010. Institutional work in the transformation of an organizational field: The interplay of boundary work and practice work. *Administrative Science Quarterly* 55: 189-221. *
6. Read these together: *
 - a. Suddaby, R. Challenges for Institutional Theory. *Journal of Management Inquiry* March 2010 vol. 19 no. 1 14-20.
 - b. Suddaby, Roy, Kimberly Elsbach, Royston Greenwood, John Meyer, Tammar Zilber. 2010. Organizations and their institutional environments – Bringing meaning, values and culture back in: Introduction to the special research forum. *Academy of Management Journal*, 53: 1234-1240.
7. Powell, W., & Colvyas, J. 2008. "Chapter 10: Micro-foundations of Institutional Theory." *The Sage Handbook of Organizational Institutionalism*, p. 276-298.
8. Bromley, Patricia, and Walter W. Powell. 2012. From smoke and mirrors to walking the talk: Decoupling in the contemporary world. *The Academy of Management Annals*, 6: 483-530.
9. Baron, James N., Frank Dobbin, and P. Deveraux Jennings. 1986. "War and Peace: The Evolution of Modern Personnel Administration in the U.S. Industry." *American Journal of Sociology* 92: 350-383.
10. Zbaracki, Mark J., 1998, "The Rhetoric and Reality of Total Quality Management," *Administration Science Quarterly* 43: 602-636. (ASQ Best Paper)
11. Ruef, Martin, and W. Richard Scott. 1998. "A Multidimensional Model of Organizational Legitimacy: Hospital Survival in Changing Institutional Environments." *Administrative Science Quarterly* 43: 877-904.

12. Suddaby, Roy, and Royston Greenwood. 2005. Rhetorical strategies of legitimacy. *Administrative Science Quarterly*, 50: 35-67. (ASQ Best Paper)
13. Scott, W.R. & Davis, G.F. 2006. *Organizations and Organizing: Rational, Natural and Open System Perspectives*. Upper Saddle River, NJ: Prentice Hall. Chapter 10. (Good background)

Nov 13: Institutional Theory: Institutional Logics and Institutional Change

1. Thornton, P.H., Ocasio, W., & Lounsbury, M. 2012. *The Institutional Logics Perspective: A New Approach to Culture, Structure and Process*. Chapters 2-4. Oxford University Press.*
2. Lounsbury, Michael. 2007. A tale of two cities: Competing logics and practice variation in the professionalizing of mutual funds. *Academy of Management Journal*, 50: 289-307.*
3. Greenwood, R., Diaz, A. M., Li, S. X., & Lorente, J. C. 2010. The multiplicity of institutional logics and the heterogeneity of organizational responses. *Organization Science*, 21(2): 521-539.*
4. Kellogg, Katherine. 2009. Operating room: Relational spaces and microinstitutional change in surgery. *American Journal of Sociology*, 115: 657-711. *
5. Sherer, P.E. & Lee, K. 2002. Institutional change in large law firms: A resource dependency and institutional perspective. *Academy of Management Journal*, 45: 102-119. (Best Paper) *
6. Friedland, Roger and Robert R. Alford. 1991. "Bringing Society Back In: Symbols, Practices and Institutional Contradictions." Pps. 232-263 in *The New Institutionalism in Organizational Analysis* edited by Walter W. Powell and Paul DiMaggio. Chicago: University of Chicago Press.
7. Greenwood, R. Raynard, M., Kodeih, F., Micelotta, E.R., & Lounsbury, M. 2011. "Institutional complexity and organizational responses." *Academy of Management Annals*: V. 5, p. 317-371.
8. Reay, Trish and Bob Hinings. 2009. Managing the rivalry of competing institutional logics. *Organization Studies*, 30: 629-652.
9. Thornton, Patricia, and William Ocasio. 1999. Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958-1990. *American Journal of Sociology*, 105: 801-843. *
10. Nigam, Ami and William Ocasio. 2009. Event attention, environmental sensemaking, and change in institutional logics: An inductive analysis of the effects of public attention to Clinton's Health Care Reform initiative. *Organization Science*, 21: 823-841.
11. Dunn, M.B. & Jones, C. 2010. Institutional logics and institutional pluralism: The contestation of care and science logics in Medical education, 1967-2005. *Administrative Science Quarterly* 55: 114-149.

Nov 20: Resource Dependence and Power

1. Jeffrey Pfeffer and Gerald Salancik. 1977. *The External Control of Organizations*. New York: Harper and Row, Chapters 1-3; 5-8 (skim latter chapters). *
2. Casciaro, Tiziana, and Mikolaj Jan Piskorski. 2005. "Power imbalance, mutual dependence, and constraint absorption: A closer look at resource dependency theory." *Administrative Science Quarterly* 50: 167-199. *
3. Drees, Johannes M., and Pursey Heugens. 2013. Synthesizing and extending resource dependence theory: A meta-analysis. *Journal of Management**
4. Katila, Riitta, Jeff Rosenberger, Kathleen Eisenhardt. 2008. Swimming with Sharks: Technology ventures, defense mechanisms, and corporate relationships. *Administrative Science Quarterly*, 53: 295-332.*

5. Wry, T., Cobb, J. A., & Aldrich, H. E. 2013. More than a Metaphor: Assessing the Historical Legacy of Resource Dependence and its Contemporary Promise as a Theory of Environmental Complexity. *The Academy of Management Annals*. *
6. Scott, W.R. & Davis, G.F. 2006. *Organizations and Organizing: Rational, Natural and Open System Perspectives*. Upper Saddle River, NJ: Prentice Hall. Chapter 9.
7. Gulati, R.& Sytch, M. 2007. Dependence asymmetry and joint dependence in interorganizational relationships: Effects of embeddedness on a manufacturer's performance in procurement relationships. *Administrative Science Quarterly*, 52: 32-69.
8. Emerson, Richard M. 1962. Power-Dependence Relations. *American Sociological Review*, 27: 31-41.
9. Ocasio, W. 1994. Political dynamics and the circulation of power: CEO succession in large U.S. industrial corporations, 1960-1990. *Administrative Science Quarterly*, 39: 285-312.
10. Westphal, JD & EJ Zajac. 1998. The symbolic management of stockholders: Corporate governance reforms and shareholder reactions. *Administrative Science Quarterly*.

Dec 4: Entrepreneurship and Imprinting

1. Ruef, Martin, Howard E. Aldrich, and Nancy M. Carter. 2003. The structure of founding teams: Homophily, strong ties, and isolation among U.S. entrepreneurs. *American Sociological Review*, 68: 195-222. *
2. Phillips, Damon. 2005. "Organizational genealogies and the persistence of gender inequality: The case of Silicon Valley Law firms." *Administrative Science Quarterly* 50: 440-472. *
3. Burton, M. Diane, and Christine M. Beckman. 2007. "Leaving a legacy: Position imprints and successor turnover in young firms." *American Sociological Review*. *
4. Baron, J. N., Michael T. Hannan, M. Diane Burton. 1999. Building the iron cage: Determinants of managerial intensity in the early years of organizations. *American Sociological Review*, 64: 527-547. *
5. Gomez-Mejia, Luis R., Katalin Takacs Haynes, Manuel Nunez-Nickel, Katheryn JL Jacobson, Jose Moyano-Fuentes. 2007. Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly*, 52: 106-137. *
6. Hiatt, S.R., Sine, W.D., & Tolbert, P.S. 2009. From Pabst to Pepsi: The deinstitutionalization of social practices and the creation of entrepreneurial opportunities. *Administrative Science Quarterly*,
7. Simon, T., and Roberts, P.W. 2008. Local and non-local pre-founding experience and new organizational form penetration: The case of the Israeli wine industry. *Administrative Science Quarterly*.
8. Johnson, Victoria. 2007. What is organizational imprinting? Cultural entrepreneurship in the founding of the Paris Opera. *American Journal of Sociology*, 113: 97-127.
9. Freeman, J. 1986. Entrepreneurs as organizational products. In G. Libecap, ed., *Advances in the Study of Entrepreneurship, Innovation, and Economic Growth*, 1: 33-52. Greenwich, CT: JAI Press.
10. Beckman, C.M. & Burton, M.D. 2008. Founding the future. *Organization Science*.
11. Stinchcombe, Arthur L. 1965. Social structure and organizations. In J. March, ed., *Handbook of Organizations*. Chicago: Rand-McNally. (focus on pages 142-169; from last term).

Dec 11: Critique and Future of Organization Theory

1. Scott, W. R. 2004. "Reflections on a Half Century of Organizational Sociology." *Annual Review of Sociology*, 30: 1-21. *
2. Walsh, J., Meyer, A., Schoonhoven. B. 2006. "A Future for Organization Theory: Living In and Living With Changing Organizations." *Organization Science* 17: 657-671. *
3. Davis, Gerald. 2010. Do theories of organizations progress? *Organizational Research Methods*, 13: 690-709. *
4. Lounsbury, Michael and Christine M. Beckman. 2013. In celebration of organization theory. *Journal of Management Studies*. *
5. Barley, Stephen, and Gideon Kunda. 1992. "Design and devotion: Surges of rational and normative ideologies of control in managerial discourse." *Administrative Science Quarterly* 37: 363-399. *
6. Barley, Steven J. and Gideon Kunda. 2001. "Bringing Work Back In." *Organization Science*, 12: 76- 95.
7. Hannan, Michael, László Pólos, and Glenn Carroll. 2007. Chapter 1 in *Logics of Organization Theory*, Princeton University Press, Pp. 1-26.
8. Scott, W.R. & Davis, G.F. 2006. *Organizations and Organizing: Rational, Natural and Open System Perspectives*. Upper Saddle River, NJ: Prentice Hall. Chapter 14.

Background Readings: The Science of Organization Theory

1. Van de Ven, A., Ganco, M. & Hinings, C.R. 2013. Returning to the Frontier of Contingency Theory of Organizational and Institutional Designs. *The Academy of Management Annals*, 7: 391-438.
2. Astley, W.G. 1985. Administrative Science as Socially Constructed Truth. *Administrative Science Quarterly*, 30: 497-513.
3. Weick, K.E. 1989. Theory Construction as Disciplined Imagination. *Academy of Management Review*, 14: 516-531.
4. Pfeffer, J. 1993. Barriers to the Advance of Organization Science: Paradigm Development as a Dependent Variable. *Academy of Management Review*, 18: 599-620.
5. Pfeffer, J. 1995. Mortality, Reproducibility, and the Persistence of Styles of Theory. *Organization Science*, 6: 680-686.
6. Van Maanen, J. 1995. Fear and loathing in organization studies. *Organization Science*, 6: 687-692.
7. Davis, Gerald F. and Christopher Marquis. 2005. Prospects for Organization Theory in the Early Twenty-First Century: Institutional Fields and Mechanisms. *Organization Science*, 16: 332-343.
8. Stinchcombe, A.L. 1991. The Conditions of Fruitfulness of Theorizing about Mechanisms in Social Science. *Philosophy of the Social Sciences*, 21: 367-388.
9. Collins, R. 1984. Statistics versus Words. *Sociological Theory*, 2: 329-362.
10. Cook, T.D. & Campbell, D.T. 1979. Causal Inference and the Language of Experimentation. In *Quasi-Experimentation* (pp. 1-36). Boston: Houghton Mifflin Company.

Other Organization Theory Topics (could replace one of the above classes):

Social Movements and Mobilization, Stratification and Inequality, Organizational Identity, Culture and Control, Bureaucracy and Organizational Design, Change and Adaptation, Knowledge Management, Innovation and Creativity, Careers and Mobility, Occupations and Professions, Top Management Teams, Corporate Governance, Corporate Social Responsibility, Technology and Work, Sensemaking and Cognition, Evolutionary Theory, Contingency Theory