



GSM DS 911 and GRS SO 716: Macro Organization Theory Boston University – Fall 2018

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Class hours: Tuesdays 9-12pm
Location: 595 Commonwealth Av.
Room: 603

Course Objectives

This course is an introduction to the major theoretical approaches and ongoing debates in organizational theory, an inter-disciplinary subject area that draws on several traditions, including economics, political science, psychology, and sociology. Organization theory aims to explain the origins, persistence, and disappearance of the organizations that are central to our society (e.g., firms, markets, governments, non-profit organizations, and more). We will start with the classics and then trace the history of ideas as the field has evolved to its present state. The purpose of this course is to provide you with a roadmap that allows you to navigate the terrain of organizational theory and to help you generate original research ideas.

The course is organized as a seminar; thus your cooperation and willingness to participate actively are critical for creating a productive learning environment. Class sessions will typically begin with a student-lead discussion and critique of the papers/chapters/books that are assigned for that week. The session will then evolve into a broader debate in which all students participate and conclude by lessons learned that might apply to other theoretical approach and/or contexts.

To make our class successful, you must reflect on the assigned material prior to each session. The preparation includes not only reading the material, but also forming your own assessment of it and being able to answer the following questions: (a) What is the basic argument? (b) What are the argument's strengths and weaknesses? (c) If you disagree with the argument, what would it take to convince you? (d) What differentiates this argument from others we have read? And (d), What, if any, alternative explanation could account for the findings?

Course Requirements

Class participation (30%): Because this is a seminar, most of the action takes place in class. My expectation is that you will always be prepared and willing to put forth a convincing argument in favor of your analysis. Graduate school is a time to hone your critical thinking and help your peers hone theirs. For each of the required readings, one or two students will be chosen as point persons. Their role is to initiate the discussion, but all are expected to chime in. To help you do so, I will ask you to prepare and email me a short (no more than one page) memo by noon on the day before class (starting with the second session). The memo should be a critical discussion of the major themes of the readings and should end with 2-3 questions that you would like to see addressed in class. (You can opt out from sending a memo once during the semester.)

Final paper (70%): The final paper is to take the form of a research proposal or a research paper. The research proposal is meant to get you thinking concretely about designing and executing research projects, and to give you practice in writing a dissertation proposal. The proposal will resemble the front end of an empirical research paper and will most likely include the following sections: an introduction, a statement of the research question, a literature review, and a proposed research design (e.g., data sources, analytical strategy, and more). This paper should be no longer than 20-25 pages (double-spaced) including the bibliography, but excluding tables and figures.

If you already have data, you can write a final research paper. It would start like a research proposal (see above) and then include your findings and a conclusion explaining the implication of your findings for theory and research. This paper should about 30-40 pages, including bibliography, but excluding tables and figures. The following two online resources might prove helpful:

- Bem, Daryl J. 2003. Writing the empirical journal article. In J.M. Darley, M.P Zanna, and H.L. Roediger III, eds., *The Complete Academic: A Practical Guide for the Beginning Social Scientist*, 2nd Ed. Washington, DC: American Psychological Association. Available at: <https://psychology.yale.edu/sites/default/files/bemempirical.pdf>
- Zuckerman, Ezra. 2008. Tips to article-writers <http://mitsloan.mit.edu/shared/ods/documents/?DocumentID=2468>

Regardless of the choice of final paper format (namely, a proposal or research paper), I have set some intermediary steps to help you along the way, more specifically:

- **October 30th 2018: Paragraph on topic (half a page maximum)**
- **November 27th 2018: 2-page outline and bibliography**
- **December 17th 2018: Final paper due**

Enrollment Policy

This class is open to doctoral students only. Because seminars work best when all students get an equal and continuous chance to participate, enrollment will be limited to 12 students. If you are not required to take this class as part of your degree requirements, please email me or simply come to our first session to obtain permission to enroll. Cross-registrants from outside of BU's Questrom School of Business or BU's Graduate School of Arts & Sciences are welcome to enroll with my permission. A certain number of seats will be set-aside for cross-registrants since a diverse class composition tends to add to quality of the class discussion.

Reference text

Below are two texts that we will use during the seminar. When possible, copies of specific chapters used in given sessions will be posted on the course website (under that session date). If the expense is not prohibitive to you, these texts are however great references and I would encourage you to purchase them. (The first text, fairly expensive, can be found more cheaply overseas.)

- W. Richard Scott and Gerald F. Davis (2007). *Organizations and organizing: rational, natural, and open systems perspectives*. Upper Saddle River, NJ: Pearson Prentice Hall.
- Perrow, Charles. 1986. *Complex Organizations: A Critical Essay*. New York: McGraw Hill.

Note that our first session is one week after the start of classes!

Week 1 (Sept. 11th 2018) - Introduction and overview: Rational models

What are “classics,” and why do we read them? What is organization theory about? What are some of the central debates and questions organization theorists seek to address? This week we will start to answer these questions while surveying part of the field of organizational theory. We will also talk about some of the basic epistemological debates in organization theory and how one's position in those debates is related to the style of research one chooses. Finally, we will select discussants for subsequent weeks.

Required readings:

W. Richard Scott and Gerald F. Davis (2007). *Organizations and organizing: rational, natural, and open systems perspectives*. (Chap. 1-4)

Perrow, Charles. 1986. *Complex Organizations: A Critical Essay*. (Chap. 1-2)

Weber, Max. 1978 [1968]. *Economy and Society: An Outline of Interpretative Sociology*, G. Roth and K. Wittich, eds. Berkeley: University of California Press. Chap. 11 “Bureaucracy,” 976-1005.

Stinchcombe, Arthur L. 1982. Should sociologists forget their mothers and fathers? *The American Sociologist*, 17(1), 2-11.

Week 2 (Sept. 18th 2018) - Natural models of organizing

How do organizations operate in practice and how does this inform our theoretical approaches? What alternatives might there be to rational models of organizing? Can these alternatives provide new lenses or theories to make sense of organizations? If so, how and within what limits?

Required readings:

Follett, Mary Parker. 1995 [1926]. The giving of order. in Pauline Graham (ed.), *Mary Parker Follett Prophet of Management: A Celebration of Writings from the 1920s*. Boston: Harvard Business School Press, 121-140.

Barnard, Chester I. 1938. *The Function of the Executive*. Cambridge: Harvard University Press. (Chap. 1-2 and 17-18)

Gouldner, Alvin W. 1954. *Patterns of Industrial Bureaucracy*. New York: Free Press. (Chap. 1-3)

Roy, Donald, 1959. Banana time: Job satisfaction and informal interaction. *Human Organization*, 18(4), 158-168.

Perrow, Charles. 1986. *Complex Organizations: A Critical Essay*. (Chap. 3)

Supplemental readings:

Online exhibit on the Human Relations Movement (about Roethlisberger, Fritz J. and William J. Dickson. 1939. *Management and the Worker*. Cambridge: Harvard University Press)

- <https://www.library.hbs.edu/hc/hawthorne/intro.html>

Week 3 (Sept. 25th 2018) - The Carnegie School: Combining rational and natural models

How do organizational members reach decisions? How do cognitive processes play into these decisions? How rational are these decisions? How might they be bounded? Might such a bounded rationality be a limitation or strength? What does this imply for organizational behavior?

Required readings:

March, James G., and Herbert A. Simon. [1993] 1958. *Organizations*. Cambridge, MA: Blackwell. (Chap. 1-3)

Cyert, Richard M., and James G. March. 1963. *A Behavioral Theory of the Firm*. Englewood Cliffs, NJ: Prentice-Hall. (Chap. 1-3, and 5)

Cohen, Michael D., James G. March, and Johan P. Olsen. 1972. A garbage can model of organizational choice. *Administrative Science Quarterly*, 17, 1-25.

Feldman, Martha S., and Brian T. Pentland. 2003. Reconceptualizing organizational routines as a source of flexibility and change. *Administrative Science Quarterly* 48(1), 94-118.

Week 4 (Oct. 2nd 2018) - Contingency theory (the first open-system model) and population ecology

Contingency: Why don't all organizations look the same? Can an organizational structure successfully operate across industries and technologies? If not, what might shape the adopted form? Are certain structures better suited to some conditions or can alternative structures get you similar results?

Population ecology: Why do we have the types of organizations we have in the numbers and sizes that we do? To what extent is organizational diversity explicable through adaptation, and how much is due to selection processes? Why do some organizations survive and others disappear?

Required readings:

Lawrence, Paul R., and Jay W. Lorsch. 1967. Differentiation and integration in complex organizations. *Administrative Science Quarterly*, 12(1), 1-47.

W. Richard Scott and Gerald F. Davis (2007). *Organizations and organizing: rational, natural, and open systems perspectives*. Pp. 103-104.

Hannan, Michael T. and John Freeman. 1977. "The population ecology of organizations." *American Journal of Sociology* 82: 929-964.

Haveman, Heather A. 1993. Organizational size and change: Diversification in the savings and loan industry after deregulation. *Administrative Science Quarterly*, 38 (1): 20-50.

Supplemental readings:

Thompson, James D. 1967. *Organizations in Action: Social Science Bases of Administrative Theory*. New York: McGraw-Hill. (Chap. 1, 3, 4, and 5)

Woodward, Joanne. 1965. *Industrial Organization: Theory and Practice* (Vol. 3). London: Oxford University Press.

Hannan, Michael T. and John Freeman. 1984. "Structural inertia and organizational change." *American Sociological Review* 49: 149-164.

Note that our regular class day (Oct. 9th 2018) is "BU Tuesday" meaning that a "Monday" schedule is in effect that Tuesday; thus, we will NOT meet on October 9th.

Week 5 (Oct. 16th 2018) – Power (I): Resource dependency and social networks

How does the environment of an organization constrain or enable its development? How do social ties to others enable or constrain organizational outcomes? How might the shape and structure of social networks help explain organizational outcomes?

Required readings:

Emerson, Richard M. 1962. Power-dependence relations. *American Sociological Review*, 27 (1): 31-41. (Theoretical argument at the individual level.)

Granovetter, Mark S. 1973. The strength of weak ties. *American Journal of Sociology*, 78 (6): 1360-1380. (Theoretical argument at the individual level.)

Pfeffer, Jeffrey, and Gerald R. Salancik. 1978. *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper and Row. (Chapter 3 only)

Burt, Ronald S. 1992. *Structural Holes: The Social Structure of Competition*. Cambridge, MA: Harvard University Press. (Chapter 1 only)

Supplemental readings:

Aven, Brandy L. 2015 The Paradox of Corrupt Networks: An Analysis of Organizational Crime at Enron, *Organization Science*, 26(4): 980-996.

Week 6 (Oct. 23rd 2018) - Power relations (II): Conflict, control, and critical theory

How does social control operate within organizations? Who benefits from organizations? How are conflicts between labor and management resolved or exacerbated in organizations? What can organizations teach us about broader social tensions?

Required readings:

Burawoy, Michael. 1979. *Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism*. Chicago: University of Chicago Press. (Chap. 1-5 and 11-12)

Perrow, Charles. 1986. *Complex Organizations: A Critical Essay*. (Chapter 8)

Barker, James R. 1993. Tightening the Iron Cage: Concertive Control in Self-Managing Teams, *Administrative Science Quarterly*, 38(3), pp. 408-437.

Anteby, Michel and Curtis K. Chan. 2018 A Self-Fulfilling Cycle of Coercive Surveillance: Workers' Invisibility Practices and Managerial Justification, *Organization Science*, 29(2): 247-263.

Supplemental readings:

Braverman, Harry. 1974. *Labor and monopoly capital; the degradation of work in the twentieth century*. New York, Monthly Review Press.

Week 7 (Oct. 30th 2018) - Institutional theory

How do organizations gain legitimacy? What symbols and signals do organizations rely on to do so? How can we explain the adoption of certain practices and forms across organizations? How might variation in institutional contexts explain variations in organizational forms and practices?

Required readings:

Meyer, John W. and Brian Rowan. 1977. Institutionalized organizations: formal structure as myth and ceremony. *American Journal of Sociology*, 83: 340-363.

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.

Scott, Richard W. 1995. *Institutions and Organizations*. Thousand Oaks, CA: Sage. (Chapters 2-4)

Barman, Emily. 2007. "An Institutional Approach to Donor Control: From Dyadic Ties to a Field-Level Analysis." *American Journal of Sociology*, 112(5): 1416-1457.

+ Your topic "paragraph" (half-page maximum) is due. Please bring a printout.

Supplemental readings:

Berger, Peter L., and Thomas Luckmann. 1966. *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*. Garden City, NY: Anchor.

Week 8 (Nov. 6th 2018) - Selected topics: Social movements

How does group action occur? How do individuals cooperate inside and outside organizations to create change? How do individuals carry out, resist or undo a social change? How can specific political or social issues be promoted inside and outside organizations?

Required readings:

McCarthy, John D., and Mayer N. Zald. 1977. Resource mobilization and social movements: A partial theory. *American Journal of Sociology*, 82 (6): 1212-1241.

Snow, David A., E. Burke Rochford, Steven K. Worden, and Robert D. Benford. 1986. Frame alignment processes, micromobilization, and movement participation. *American Sociological Review*, 51 (4): 464-481.

Kellogg, Katherine C. 2009. Operating room: Relational spaces and microinstitutional change in Surgery. *American Journal of Sociology*, 115(3): 657-711.

Week 9 (Nov. 13th 2018) - Selected topics: Cultural approaches

How does one's cultural belonging shape one's broader worldviews? Why do some organizations have strong culture and others don't? How can a given culture sustain or derail key organizational outcomes? How are cultures sustained?

Required readings

- Geertz, Clifford. 1972. Deep Play: Notes on the Balinese Cockfight. *Daedalus*, 101(1): 1-37
- Swidler, Ann. 1986. Culture in action: Symbols and strategies. *American Sociological Review*, 51(2): 273-286.
- Kunda, Gideon. 2009. *Engineering culture: Control and commitment in a high-tech corporation*. Temple University Press. (Chapters 1 and 3)
- Zelizer, Viviana A. 1978. Human values and the market: The case of life insurance and death in 19th-century America. *American Journal of Sociology*, 84(3): 591-610.

Week 10 (Nov. 20th 2018) - Selected topics: Contested organizational cultures, identities and logics

How do given organizational cultural understandings/categories/identities emerge? Why are some cultural understanding/categories/identities favored, while others are not? More broadly, how can we reconcile different theoretical cuts on a same organizational phenomenon?

Required readings:

- Navis, Chad, and Mary Ann Glynn. 2010. How new market categories emerge: Temporal dynamics of legitimacy, identity, and entrepreneurship in satellite radio, 1990–2005. *Administrative Science Quarterly* 55(3): 439-471.
- Hsu, Greta, and Stine Grodal. 2015. Category taken-for-grantedness as a strategic opportunity: The case of light cigarettes, 1964 to 1993. *American Sociological Review* 80(1):28-62.
- Yue, Lori Qingyuan, Jue Wang, and Botao Yang. 2018. Contesting Commercialization: Political Influence, Responsive Authoritarianism, and Cultural Resistance. *Administrative Science Quarterly* (2018).

Week 11 (Nov. 27th 2018) - Selected topics: Professions and Occupations

How do professional occupational dynamics shape the ways organizations operate and evolve? How do organizations benefit from their members' professional and occupational affiliation? How might members' professional and occupational affiliation hinder organizational pursuits?

Required readings:

- Abbott, A. 1988. *The System of Professions: An Essay on the Division of Expert Labor*. Chicago: University of Chicago Press. (Introduction and Chap. 3)
- Van Maanen, John. 1978. The Asshole in *Policing: A View from the Street*, Peter K. Manning and John Van Maanen (eds.). Los Angeles: Goodyear Press, pp. 221-238.
- Eyal, Gil. 2013. For a sociology of expertise: The social origins of the autism epidemic. *American Journal of Sociology*, 118(4): 863-907.
- Mears, Ashley. 2015. Working for free in the VIP: Relational work and the production of consent. *American Sociological Review*, 80(6): 1099-1122

+ Your 2-page outline and bibliography is due. Please bring a printout.

Supplemental readings:

- Anteby, Michel, Chan, Curtis K., and Julia DiBegnino. 2016. Three lenses on professions and occupations: Becoming, doing, and relating. *Academy of Management Annals*, 10(1): 183-244.

Week 12 (Dec. 4th 2018) – Session on Reviewing Theory

In this session, you will be asked to do a practice review of a manuscript submission. You will receive the manuscript one week before the session and you should hand in your review by **Sunday December 2nd latest**. The review should be no longer than 2 pages single-spaced.

For guidelines on how to review a paper, please see:

- <http://mc.manuscriptcentral.com/societyimages/asq/ASQ%20reviewer%20guidelines.pdf>
- http://journals.sagepub.com/pb-assets/cmscontent/ASR/review_guidelines_1general.pdf

Week 13th (Dec 11th 2018) – Research proposals and papers

This session will allow us to review what we have learned, tentatively positioning ourselves in a theoretical debate or conversations, and envisioning what contributions we might hope to make to these debates and conversation. Please come prepared to discuss your “preferred” reading of the semester and to explain why you related to it.

Research proposals or papers are due on Sunday December 16th 2018 (latest).

Important Added Resources

Because of the seminar's intensive format, not all organizational theories can be covered in class. Below are a few key theories that will **not** be discussed in depth in class, but that you **should** be knowledgeable about, particularly for doctoral comprehensive exams.

A - Agency Theory

Why is so much of economic activity in the United States organized through public corporations (i.e., businesses that sell shares to the public)? Do large firms manifest a "separation of ownership and control"? Is managing a corporation equivalent to having a license to steal from shareholders? If not, what mechanisms prevent managerial looting, and how well do they work?

Readings

- Fama, Eugene, and Michael C. Jensen. 1983. Separation of ownership and control. *Journal of Law and Economics*, 26: 301-325.
- Davis, Gerald F. 2005. New directions in corporate governance. *Annual Review of Sociology* 31: 143-162.

B – Transaction cost economics

Why are some exchanges organized through firms and others through markets? Why are there firms at all? What determines where one firm ends and another begins, and does it matter? Why have particular structures (e.g., the multi-divisional form) predominated at various points in time?

Readings

- Coase, Ronald. 1937. The nature of the firm. *Economica* 4, 386-405.
- Williamson, Oliver E. 1981. The economics of organization: The transaction cost approach. *American Journal of Sociology*, 87, 548-577.
- Granovetter, Mark. 1985. Economic action and social structure: the problem of embeddedness. *American Journal of Sociology*, 91, 481-510.

C – Practice Theory and materiality

How do organizations transform and shape the social worlds they are part of? How, in turn, do social world transform and shape organizations? What is the dialectic between organizations and social worlds? How can we move beyond structure and agency when considering organizations?

Readings

- Giddens, Anthony and Dillmayr, Fred R. 1982. *Profiles and Critique in Social Theory*. Berkeley, CA: University of California Press. (Chapter 2)
- Lave, Jean. 1988. *Cognition in Practice*. Cambridge University Press: Cambridge, UK. (Chapter 1)
- Orlikowski, Wanda J. 2002. The Duality of Technology: Rethinking the Concept of Technology in Organizations. *Organization Science*, 3(3), 398-427.
- Carlile, Paul R. 2002. A Pragmatic View of Knowledge and Boundaries: Boundary Objects in New Product Development. *Organization Science*, 13(4), 442-455.
- Feldman, Martha S. and Wanda J. Orlikowski. 2011. Theorizing practice and practicing theory, *Organization Science*, 22(5), 1240-1253.