ORGANIZATION THEORY
Winter 2018
Professor Massimo Maoret

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Introduction

In the last 50 years, the field of Organization Theory has contributed to the enrichment of our understanding of economic and management action, providing novel approaches, theories and methodological tools to management inquiry. This doctoral course provides a broad overview of the major theoretical debates within organization theory, and how they have influenced research in more applied fields. We will read and discuss theoretical and empirical papers, both classic and contemporary, and identify the current frontier of the field. Learning more about how organizations are structured and work can help us to improve organizational processes and their outcomes.

Objectives

By the end of the course the students will be able to frame a scientific research question from a theoretical point of view, and develop original scientific research ideas to advance scholarship in organizational theory. The goals are to provide students with the theoretical groundings that explain why organizations exist, how they operate, change and perform – and how to further our understanding of organizations from a scientific perspective.

Learning outcomes

1. Evaluate the relevance of the theoretical advancements of scientific publications in organization theory
2. Evaluate the scientific standards and quality of the methodologies of scientific publications in organization theory
3. Write a literature review of a sub-stream of research of organization theory, integrating several scientific contribution
4. Generate new theory that advances our current understanding of organizations
5. Lead a dialectic discussion that integrates several scientific contributions
6. Communicate and debate the merits of one’s scientific ideas

General competences

- Acquire knowledge, skills, abilities and attitudes required to conduct research on a global basis in the field of business management.
• Conduct a critical analysis, evaluation and synthesis of new and complex ideas with the objective to produce general principles applicable to business situations.
• Demonstrate knowledge and understanding that provide a basis or opportunity for originality in developing and/or application of ideas, often related to a research context.
• Students should be able to communicate clearly and concisely their conclusions, underlying knowledge and reasons to a specialized and non-specialized audience.

Specific competences

• Understand the concepts of social and human sciences relevant and necessary to carry out research projects of international level in the area of business management.
• Organization, planning and implementation of a research project related to social sciences.
• Ability to understand state-of-the-art research in organization theory published in the top academic journals (Administrative Science Quarterly, Academy of Management Journal, Organization Science, American Journal of Sociology, etc.) and compare and contrast the arguments developed in the papers from a logical and empirical point of view.
• Ability to take current management and organizational problems and identify how different theories of organizations can help us understand them.
• Ability to design research programs in the area of Business Management.
• Analyze business phenomena formal analysis tools (logic and mathematics) in order to develop consistent structural theories.

Content

The content of the class will cover all the major streams of organizational theory. Each week a new theoretical perspective will be explored, and compared to the previous ones. Every perspective relies on different assumptions about a) why organizations exist and b) how organizations work. We will thus cover:

1. Intro to organizational theory
2. Networks, social capital and embeddedness
3. Status-based competition
4. Tie strength and network brokerage
5. Carnegie school and the neo-behavioral theory of the firm
6. Developments of neo-institutional theory
7. Sense-making, framing, and symbolic management
8. Categories and evaluation processes
9. Identity and authenticity
10. Culture and cognition

Methodology

The course will be run in a doctoral seminar format. For each doctoral-style session, students are expected to read all the required readings, provide a written answer for the assigned memo questions in advanced (see section on weekly memos), and be prepared to discuss the material in class on the schedule indicated in the syllabus. All students should come to class with questions, topics, and issues to be raised for discussion. The professor’s role is to facilitate
and direct the discussion. The students’ role is to engage each other in developing the best
critical understanding of each paper.

As you do the readings, think about the following questions:

1) What is the basic argument made by the author(s)? What are its strengths?
2) What are the weaknesses of the argument?
3) If you disagree with an argument, what would it take to convince you?
4) Are there critical differences between these authors’ arguments and those of others we have read?
5) Can these differences be resolved through an empirical test? How would you design a test to resolve these differences?
6) If an empirical paper, what alternative explanations can account for the findings of the authors?
7) Important: BE CRITICAL!

In addition to preparing the papers for discussion, each student will lead the discussion once during the course. We will assign the topics on the first day of class. Discussion leaders are required to read all the memos in advance, and be prepared to open the general discussion by identifying some key debate issues and questions.

**Evaluation**

<table>
<thead>
<tr>
<th>Grading type</th>
<th>Weight</th>
<th>Evaluation elements and learning outcomes</th>
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<tbody>
<tr>
<td>Class participation</td>
<td>30%</td>
<td>- effectively communicate the analysis of the underling theoretical logic of the assigned readings, and effectively compare them to the previous weeks (LO 1, 5)</td>
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<td>- engage in an open constructive dialectic process to expose the contributions and limitations of the assigned readings (LO 2, 6)</td>
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<tr>
<td>Weekly memo</td>
<td>40%</td>
<td>- the evaluation is based on the ability of each students to grasp, summarize and criticize the theoretical perspective of the week, applying scientific standards in a written formal (LO 1, 2, 3)</td>
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<tr>
<td>Final paper</td>
<td>30%</td>
<td>- the final paper will be used to evaluate the students’ written ability to answer a theoretical question integrated in an existing stream of research using publishable standards. (LO 2, 3, 4, 6)</td>
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**Class participation**

Performance will be a function of both quantity and quality. In order for the class to succeed, students must have read the readings and be prepared to talk critically about them.

**Weekly memo**

Each week, students are asked to prepare a two-part memo (MAX 2000 words total, single-spaced) related to the readings of the class. Memos should be posted by 9am (same day of class) on Virtual Campus. Students are encouraged to read one another’s memo before class.
Memos that are posted after the deadline will be reduced by a full grade for every hour they are late.

As mentioned, the memo should be divided in two parts. **The first part** (synthetic) requires you to answer the weekly “memo questions” listed in the syllabus. These questions usually require you to synthesize the focal readings into a coherent thought process, highlighting key assumptions behind a specific school of thought. This part is the most important part of the memo, so feel free to use more space if you need so (i.e. the overall length should be between 1000 and 1400 words). Please note that there may be an extra memo question to answer. This question is **completely optional** but will be considered for a potential extra grading bonus (you can use an additional 300 words for the extra question).

**The second part** of the memo (critical review) should focus on a single reading for which you will provide a critical reading. In approaching the critical review, it is recommended that you organize your thoughts in terms of the following questions (some of which will be more or less relevant depending on the readings):

1. **Motivation**: Why do the authors think that their topic or question is important? What does the author (implicitly or explicitly) regard as incomplete in existing research such that his or her research constitutes a significant contribution? How is the motivation provided by the various others similar or different to each other?
2. **Theory**: What distinguishes the theoretical viewpoint of the authors under consideration? What causal mechanism or mechanisms do the authors focus on and why? What are the potential advantages of a given focus and what are the drawbacks?
3. **Evidence**: What types of evidence do the authors bring to bear to support their argument? Which sorts of analyses do you find most compelling and why
4. **Big Picture**: To what extent do you regard this reading as making a significant contribution to the larger questions that animate research in the “organizations and environments?” How could the work have made a bigger contribution?

You are required to write a minimum of 8 memos over the course of the term. If you submit N > 8 memos, your weakest N-8 memos will be dropped from your grade.

I highly recommend to follow this general guide when writing the second part of the memo:


**Final paper**

More information about the final paper will be given in the first week of class. Please make sure to read these two notes before submitting the first draft of your paper idea:


**Course Material**
All the required readings will be in the course reader. An extended (but not exhaustive) bibliography is provided throughout this document, divided by topic covered (and not covered).
COURSE OUTLINE

Session 1. Introduction to Organization Theory

Note: For this first week, only submit the first part of the memo. Instead of submitting the critical review part, submit a one page introduction of yourself, explaining what research ideas excite you the most, and which idea you are planning to pursue (and why).

Memo question(s):

1. We could easily imagine a Society without organizations, where all transactions are regulated by a market. So why do organizations exist? Answer this question from the point of view of Zuckerman, Granovetter and Williamson, and then offer your opinion.
2. What is theory, what is good theory? Do not simply summarize the readings, but offer your original point of view (which can – but doesn’t have to – build on the readings).

Required readings on organization theory (read in this order):


Required readings on theorizing in organizational theory:


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Additional readings on the current debate on organizational theory:

Additional readings on the theoretical foundations:


Session 2. Network embeddedness, Organizations and Inter-organizational networks

Memo question(s):

1. Compare how the authors use the term “embeddedness”. Do you think it’s a useful concept, and why? What kind of research questions does “embeddedness” help us to answer? Please provide three, concrete examples of potential research questions.

Required readings:


Additional readings on diffusion and influence:


Additional readings on embeddedness and social capital:


Additional readings on social exchange:


**Additional readings on network governance:**


**Additional readings on network formation and evolution:**


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**Session 3. Competing for status: Foundations**

**Memo question(s):**

1. Compare and contrast Gould and Podolny’s theories, in terms of the questions they are trying to explain and how they go about addressing those questions.

2. Considering at least three of the readings, to what extent do the authors have a similar conception of what it means to compete for/with status? Put more concretely, imagine you “lived” in these status structures. Would you compete in a similar or different way? What does your answer imply?
Required readings:


Additional readings on status:


Session 4. Intra-organizational networks: Brokerage and performance

Memo question(s):

1. Compare the model of brokerage used by the authors this week. How are these models same or different? What theoretical and practical implications does this have?

2. Which relational mechanisms underlie individual performance and network advantage in organizations?

Required readings:

Additional readings on network brokerage:


Additional readings on homophily:


Additional readings on tie dynamics:


Additional readings on knowledge transfer and innovation:


Additional readings on network perception and cognition:


Additional readings on core/periphery structures:


Additional readings on affect in networks:


Additional readings:


Session 5. The Carnegie School: Towards a Neo-Behavioral Theory of the Firm

Memo question(s):

1. Identify the key constructs of the Carnegie school. What theoretical mechanisms link these constructs into a school? Looking back at past readings, which mechanisms relate to embeddedness, institutional theory and/or population ecology? Make explicit references.
2. How can a neo-behavioral theory of the firm help explain current, modern-day issues in management? Please provide a research question and sketch a research design to answer it.
**Background reading (skim):**


**Required readings:**


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**Additional reviews on the Carnegie School:**


**Additional readings on organizational adaptation, search, feedback and learning:**


Additional readings on organizational attention:


Additional readings on organizational politics:


Additional readings on organizational routines and capabilities:


Additional readings on the garbage can model:


Session 6. Institutional logics and institutional entrepreneurship

Memo question(s):

1. Under what conditions should we expect to see an institutional logic dominate versus seeing a co-existence of a plurality of logics?

2. Institutional maintenance versus change is a central debate in institutional theory. First, compare these articles on where change comes from and how this influences the evolution of an institutional field. Then provide a theoretical model that predicts the stability and change of an institutional field.

Required readings:


Additional readings on institutional theories of diffusion:

Additional readings on institutional complexity and hybrid organizations:

Additional readings on institutional work and change:


Additional readings on institutional logics:


Additional readings on legitimacy:


Additional readings on de-institutionalization:

Session 7. Sense-Making, Framing, and Symbolic Management

Memo question(s):
1. Provide a typology of symbolic management tactics. For each tactic, please specify the conditions under which we should expect each tactic to succeed, or fail.
2. How do the following readings reject, integrate or reaffirm some of the organizational theories that we have analyzed so far?

Required readings:

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Additional readings on social construction of markets:


Additional readings on organizational sense-making:


Additional readings on social construction of technology:


Additional readings on framing and symbolic management:


Additional readings on naming:


Additional readings on practice theory:


Session 8. Categories and evaluation processes

Memo question(s):

1. How does the concept of “category” vary across the various readings? Which one do you find most compelling, and why?
2. The concept of “category” is quite popular in organizational theory these days. Given your reading of this week’s articles, what is your take on the study of categories and categorization? How do these studies related to previously established theories (e.g. behavioral theory, population ecology and neo-institutional theory), and to what extent do they offer a novel theoretical advancement?

Required readings:


Additional readings on categories and valuation:


Session 9. Identity and authenticity

Memo question(s):
1. To what extent are this week readings consistent with each other? Please provide a theoretical framework that a) defines the concept of “authenticity” and b) reconciles the readings for this week. How does your framework help us better explain reality? Provide examples.

**Required readings:**


Additional readings on identity and authenticity:


Greta Hsu, Balazs Kovacs, Ozgcan Kocak (2017) “Co-opt or co-exist? A study of medical cannabis dispensaries identity-based responses to recreational use legalization in Colorado and Washington” Forthcoming in Organization Science


**Session 10. Culture and Cognition**

**Memo question(s):** TBD

**Required readings:**


Additional readings on culture:


Selected readings on other topics not covered in this course

Social Movements and Organizations


The population ecology of organizations

Additional readings on population ecology foundations:


Additional readings on niche theory:


Additional readings on inertia and age-dependence:


Additional readings on theoretical extensions:


**Boundaries of the firm and TCE:**


**Evolutionary theory, technology and innovation**


**Entrepreneurship and organizational founding**

Organizational Demography


**Jobs and Careers**


Professions


Gender & Organizations


Massimo Maoret is an Assistant Professor in the Strategic Management Department, and a European Commission Marie Curie Fellow. He received a Ph.D. in Management from Boston College in 2013; he is an active member of the Academy of Management and was also part of the Economic Sociology Work Group at the MIT Sloan School of Management between 2010 and 2013.

Massimo's research focuses on how social networks influence performance both at the individual and organizational level. His work focuses on explaining how informal relationships facilitate the innovativeness of knowledge workers (R&D engineers and architects), and the process through which new organizational members become socialized by developing their networks in their new jobs. He also studies how organizations of the public and private sector exchange knowledge in large technological consortia, and how the stability of task-related interactions boosts organizational competitiveness.

Massimo has investigated the impact of social networks on the performance of various small and large firms, but also on no-profit organizations from different institutional sectors (e.g. basketball teams and the military). His work has appeared in multiple prestigious academic outlets, including Organization Science, the Strategic Management Journal, Advances in Strategic Management and the Proceedings of the Academy of Management. He currently serves in the Editorial Review Board of Organization Science, Journal of Management and Organization Studies.

At IESE, Massimo teaches Competitive Strategy, Strategy Execution, Organizational Theory and Organizational Change. He also teaches modules on managing your network and getting things done at the Executive level, where he has collaborated with organizations such as DOW Chemical, DSM, Faurecia, Henkel and UNICEF.