University of Southern California
Marshall School of Business

MOR 602: ORGANIZATION THEORY

Fall 2014

Instructor: **Peer C. Fiss, Ph.D.**
Office: Hoffman Hall 521
Phones: Office: 213-821-1471
Email: fiss@marshall.usc.edu
Website: http://www-rcf.usc.edu/~fiss/
Office Hours: By appointment

COURSE DESCRIPTION

This is an advanced Ph.D. level survey course on organization theory with a focus on the history and development of research on organizations. The course, however, is more than a survey course in the following respects:

1. The theoretical perspectives and topics covered rely upon original sources (mainly journal articles and books) as well as upon secondary sources (review articles and books). You will be challenged to develop your own criteria to evaluate, critique, and synthesize existing research, rather than relying exclusively upon the criteria and biases of other scholars.

2. The materials covered represent a blend of classic pieces that enable you to understand the core assumptions and historical roots of current theories, along with very recent research.

3. The course is interdisciplinary in nature, drawing upon related and organizationally relevant literatures in industrial organization economics, public administration, economic history, political science, and sociology.

SEMINAR FORMAT

The goal of this course is to get you engaged with these works and to start a discussion that helps us think through them. To do this, each week the first half of the seminar will be based on a discussion and critique of the readings for that week. Two members of the class will have been designated as primary discussants for that class. You will find more information on the criteria for good discussion leadership below. During the second half, we move to a more general discussion and I will also be presenting additional materials.

The success of this class depends strongly on your active engagement with these readings. I will be looking for quality rather than quantity of contributions, and will be seeking out participation throughout the semester. It goes without saying that you will have to be well prepared for each class. A cursory reading will not suffice—you will need to actively engage the readings. I encourage (though I don't require) you to form reading groups to discuss the readings before class.

COURSE REQUIREMENTS

Student Discussants. Each week, we will have 2 student discussants. Your job is to open the seminar with a 20-25 minute session opener talk and then use that to drive our discussion of the themes that emerge from considering each paper's motivations, argumentation, and implications. The best papers we read will be strong in all three dimensions

and, in so doing, teach us about their topics while also teaching about the craft of doing great research. **You should know, however, that not all assigned papers meet this standard equally well, by design.** Make and share your own judgments about differences in importance and quality of the assigned papers, and be prepared to debate your conclusions with others!

Here are the guidelines for these session "opener" talks:

1. 20-25 minutes
2. Bring a handout for everyone – 1-3 pages
3. No PowerPoint slides
4. No summaries of the readings
5. **Let me repeat this: NO SUMMARIES OF THE READINGS!**
6. Diagrams or tables are helpful
7. Analytical narrative is permitted, but keep it short
8. Conclude with a set of questions that we will debate and discuss

The best "openers" will lead to discussions that cover the papers thoroughly because we are asking hard questions about what the value of what they mean to say, whether they succeed, and what we might do next. All this goes well beyond just figuring out what is in the papers.

In sum, good discussants will deliver an opener that does the following:

- Integrates the readings using an analytical framework
- Identifies and makes explicit the commonalities and differences in implicit assumptions that underlie the various readings
- Where possible, exposes theoretical gaps with suggest avenues for development beyond the readings
- Engages the other seminar participants in a discussion of the readings by taking a clear and perhaps provocative position!
- **AVOID questions such as "What do you thinks of the authors' arguments?" or "Do you agree with that point?"** Your job is to have a *position* on these issues, i.e. you should have asked yourself these questions and the answer should be part of your presentation

Research Paper. The goal for this assignment is that you develop a paper that you will submit to the Academy of Management Conference (or the appropriate professional conference for your field). You have three options for this:

1) *Empirical Project Proposal:* abstract, theory, hypotheses, research design, and discussion of anticipated contributions. Note that this does not include any requirement for data collection or analysis—that will come later after the completion of the course. In previous years, students developed an idea of what they'll do during the semester and then work on it over the summer.

2) *Complete Empirical Paper:* same as (1) but with data collection, analysis, and discussion of results. This is much tougher (!), so you probably only want to take this route if you already have data or know a faculty member who has data you can use (many of us do), or a strong lead on data that you can get quickly. Because of the additional burdens of data collection and analysis, I do not require you to perform all of the analyses a full paper would require. Again, that will come later.

3) *Theory Paper:* following the format of the theory papers you will see in our readings (especially the Academy of Management Review), this will require a clear statement of the problem; review of the prior literature; development of a new perspective, approach, theory, framework, etc. (perhaps but not necessarily including clear propositions); and conclusion with discussion of potential strategies for empirical research.

Paper Review. As part of this course, we will engage in a review process where you review (blindly) each other's papers. Accordingly, there will be several interim deliverables with the final product being due during the exam period. The deliverables are as follows:

1)	Tues., Oct. 7	Submit Proposal of Research (hardcopy)
2)	Tues., Nov. 11	Submit Draft of Paper
3)	Tues., Nov. 18	Submit Reviews
4)	Tues., Nov. 25	Submit letter of response to reviews
5)	Tues., Dec. 2	Presentations delivered
6)	Fri., Dec. 12	Final papers due

Instructions for the review process will be given as we approach that time.

MATERIALS

I will post readings to the course web site on Blackboard; you will not need to buy books or a course pack for this course. In addition, I will use the course website to provide you with additional materials as appropriate. Please be sure you check the website regularly for announcements.

ASSIGNMENTS AND GRADING

Grades will be determined by relative performance on the following course components:

Weekly Participation	Includes 2 session openers	40%
Research paper	Proposal	10
	First submission	10
	Reviews and letter of response	15
	Presentation	10
	Second submission	15

Total		**100%**

DETAILED SESSION OVERVIEW

-- Please be sure to read deeply all those texts marked with a star (*), skim the others --

Session 1 (Aug. 26) – Introduction to the Course
During this first class, the goal is to get an overview of the topic of our study: organizations. What are they and what are some of the major theories that have been proposed to understand them? How do these theories reflect on current research?

To get us started, I have selected several readings and posted them for you here. Please read these over the break and come prepared to discuss them. Specifically, do read the first two closely (Scott 1992 and Perrow 1973) and skim the other three (Scott ARS 2004, Baum & Rowley 2002; Hinings & Greenwood, 2002). By the way, I do recommend reading them in the order listed here (though of course that is in the end up to you).

As you read these, please also begin to think about what streams of organization theory might interest you in particular. At the end of the first session, we will select discussants for the following weeks, so it might be good to begin thinking about which topics you would like to tackle.

*Scott, W.R. 1992. *Organizations: Rational, Natural, and Opens Systems*. Chapter 1.

*Perrow, C. 1973. The short and glorious history of organizational theory. *Organizational Dynamics*, 2: 3-15

Scott, W.R. 2004. Reflections on a half-century of organizational sociology. *Annual Review of Sociology*, 30: 1-21.

Baum, J.A.C., & Rowley, T.J. 2002. Companion to organizations: An introduction. P. 1-34 in *Companion to Organizations*, edited by J. Baum.

Hinings, C.R., & Greenwood, R. 2002. Disconnects and Consequences in Organization Theory? *Administrative Science Quarterly*, 47: 411-421.

Session 2 (Sep. 2) – What is Theory (and Why Do We Care)?

What is theory, and why do we care about it? What does a good theory look like, and why is it necessary or useful to study "classics"? The readings for this week should get you started on these debates. There are several positions here, as you will see, and the point-counterpoint format will hopefully make for a lively discussion.

Please read all six papers (i.e. read, don't skim them). The first three (Alexander, Turner, Stinchcombe) will get us into the question of theory more generally, while the second three (Sutton & Staw, Weick, DiMaggio) will focus on theory in organization studies. Finally, the last three (skim) ask what constitutes a theoretical *contribution*, which, as you will see, is something a bit different.

*Alexander, J.C. 1987. *Twenty Lectures: Sociological Theory Since World War II.* Lecture One: What is Theory?

*Turner, J.H. 1986. *The Structure of Sociological Theory*. Chapter 1.

*Stinchcombe, A. 1986. Should sociologists forget their mothers and fathers? Chapter 19 in *Stratification and Organization: Selected Papers*.

*Sutton, R.I., & Staw, B.M. 1995. What theory is not. *Administrative Science Quarterly*, 40: 371-384.

*Weick, K.E. 1995. What theory is not, theorizing is. *Administrative Science Quarterly*, 40: 385-390.

*DiMaggio, P.J. 1995. Comments on 'What theory is not.' *Administrative Science Quarterly*, 40: 391-397.

Bergh, D. 2003. From the Editors: Thinking strategically about contribution. *Academy of Management Journal*, 46(2): 135-136

Rynes, S. 2002. Editor Comments: Some reflections on contribution. *Academy of Management Journal*, 45(2): 311-313.

Whetten, D. A. 1989. What constitutes a theoretical contribution? *Academy of Management Review*, 14: 490-495.

Session 3 (Sep. 9) – Classical Management Theory

*Taylor, F.W. 1967. *The Principles of Scientific Management*. New York: W.W. Norton & Co. (first published 1911)

*Barnard, C.I. 1938. *The Functions of the Executive*. Cambridge, MA: Harvard University Press. Pp. 82-123, 139-184.

*Roethlisberger, F.H., & Dickson, W.J. 1946. *Management and the Worker*. Cambridge, MA: Harvard University Press. Chapter 8, 17-25.

*Stinchcombe, A. 1965. Social Structure and Organizations. Pp. 142-164 in James G. March (ed.), *Handbook of Organizations*. Chicago, IL: Rand McNally.

Selznick, P. 1948. Foundations of the Theory of Organization. *American Sociological Review*, 13: 25-35.

Session 4 (Sep. 16) – Bureaucracy

*Max Weber, *Wirtschaft und Gesellschaft*, part III, chap. 6, pp. 650-78.

*Merton, R.K. 1957. Bureaucratic Structure and Personality. Pp. 195-206 in *Social Theory and Social Structure*. Glencoe, IL: Free Press.

*Crozier, M. 1964. *The Bureaucratic Phenomenon*. London: Tavistock.

*Garson, B. 1988. The Automated Social Worker. In: *The electronic sweatshop: how computers are transforming the office of the future into the factory of the past*. New York: Simon & Schuster.

Adler, P., & Borys, B. 1996. Two Types of Bureaucracy: Enabling and Coercive. *Administrative Science Quarterly*, 41: 61-89.

Selznick, P. 1943. An Approach to a Theory of Bureaucracy. *American Sociological Review*, 8: 47-54.

-- NO CLASS ON SEPTEMBER 23; WORK ON PROPOSALS--

Session 5 (Sep. 30) – Behavioral Decision Theory: The Carnegie School

*March, J.G., & Simon, H.A. 1958. *Organizations*, Chapters 5-6.

*Cohen, Michael D., James C. March, and Johann P. Olsen. 1972. "A Garbage Can Model of Organizational Choice." Administrative Science Quarterly, 17:1-25.

*Cyert, R.M., and J.G. March. 1963. “A Summary of Basic Concepts in the Behavioral Theory of the Firm.” Chapter 7 in *A Behavioral Theory of the Firm*.

*March, J.G. 1991. Exploration and Exploitation in Organizational Learning. *Organization Science*, 2: 71-87.

*Kim, J., Haleblian, J., and Sydney Finkelstein. 2011. When Firms are Desperate to Grow via Acquisition: The Effect of Growth Patterns and Acquisition Experience on Acquisition Premiums. *Administrative Science Quarterly*, 56: 26-60.

*Levinthal, D. A. & Rerup, C. 2006. Crossing an apparent chasm: bridging mindful and less-mindful perspectives on organizational learning. *Organization Science*, 17(4): 502-513.

Levitt, B. & March, J. G. 1988. Organizational Learning. *Annual Review of Sociology*, 14:319-340.

Session 6 (Oct. 7) – Contingency and Configurational Theory

*Thompson, J.D. 1967. *Organizations in Action*. Part I.

* Drazin, R., & A.H. Van de Ven. 1985. Alternative Forms of Fit in Contingency Theory. *Administrative Science Quarterly*, 30: 514-539.

*Lawrence, P., & Lorsch, J. 1967. Differentiation and integration in complex organizations, *Administrative Science Quarterly*, 12: 1-47.

*Meyer, A.D., Tsui, A.S., Hinings, C.R. 1993. Configurational approaches to organizational analysis. *Academy of Management Journal*, 36: 1175-1195.

*Fiss, P.C. 2007. A Set-theoretic Approach to Organizational Configurations. *Academy of Management Review*, 32: 1180-1198.

Ketchen, D. J., Thomas, J. B., & Snow, C. C. 1993. Organizational configurations and performance: A comparison of theoretical approaches. *Academy of Management Journal*, 36: 1278–1313.

Session 7 (Oct. 14) – Resource Dependence Theory

*Emerson, R.M. 1962. Power-dependence relations. *American Sociological Review*, 27: 31-41.

*Pfeffer, J., & Salancik, G.R. 1978. *The external control of organizations*. New York: Harper & Row. Chapters 1 & 3

*March, James G. "The Power of Power." pp. 39–70 in David Easton, ed., *Varieties of Political Theory*. Englewood Cliffs, NJ: Prentice-Hall, 1966.

*Casciaro, T. & Piskorski, M.J. 2005. Power imbalance, mutual dependence and constraint absorption: A closer look at resource dependence theory. *Administrative Science Quarterly*, 50: 167-199.

*Santos, F.M., Eisenhardt, K.M. 2009. Constructing markets and shaping boundaries: entrepreneurial agency in nascent fields. *Academy of Management Journal*, 52: 643-671.

Palmer; D. Barber, B.M., Zhou, X. & Soysal, Y. 1995. The Friendly and Predatory Acquisition of Large U.S. Corporations in the 1960s: The Other Contested Terrain. *American Sociological Review*, 60: 469-499.

Session 8 (Oct. 21) – Population Ecology

*Hannan, M.T., & Freeman, J. 1977. The population ecology of organizations. *American Journal of Sociology*, 82: 929-964.

*Hannan, M.T., & Freeman, J. 1984. Structural inertia and organizational change. *American Sociological Review*, 49: 149-164.

*Carroll. G. and Swaminathan, A. 2000. Why the Microbrewery Movement? Organizational Dynamics of Resource Partitioning in the US Brewing Industry. *American Journal of Sociology*, 106:715-762.

*Dobrev, S.D. & Kim, T.Y. 2006. Positioning among Organizations in a Population: Moves between Market Segments and the Evolution of Industry Structure. *Administrative Science Quarterly*, 51(2): 230-261.

*Hsu, G. 2006. Jacks of all trades and masters of none: Audiences' reactions to spanning genres in feature film production. *Administrative Science Quarterly*, 51: 420-450.

Hsu, G. and Hannan, M.T. 2005. Identities, genres, and organizational forms. *Organization Science* 16: 474-90.

Session 9 (Oct. 28) – Organizational Economics

*Coase, R.H. 1937. The nature of the firm. *Economica*. 4: 386-405.

*Chandler, A.D. 1977. Introduction: The Visible Hand. *The Visible Hand: The Managerial Revolution in American Business*. Cambridge, MA: Harvard University Press.

*Williamson, O. 1981. The Economics of Organization: The Transaction Cost Approach. *American Journal of Sociology*, 87: 548-577.

*Fama. E.F. and Jensen, M.L. 1983. Separation of Ownership from Control. *Journal of Law and Economics*, 26: 301-325.

*Eisenhardt, K. 1989. Agency Theory: An Assessment and Review. *Academy of Management Review*, 14: 57-74.

Arthurs, J.D., & Hoskisson, R.E., Busenitz, L.W. & Johnson, R.A. 2008. Managerial agents watching other agents: Multiple agency conflicts regarding the underpricing of IPO firms. *Academy of Management Journal*, 51: 277-294.

Alchian, A.A., & Demsetz, H. 192. Production, information cost, and economic organization. *American Economic Review*, 62: 777-795.

Session 10 (Nov. 4) –Institutional Theory I

*Selznick, P. 1957. *Leadership in Administration*. Berkeley, CA: University of California Press. – Chapters 1 and 5

*DiMaggio, P.J. & Powell, W.W., 1991. Introduction. Pp. 1-38 in *The New Institutionalism in Organizational Analysis*, edited by Walter W. Powell and Paul J. DiMaggio. Chicago: University of Chicago Press.

*DiMaggio, P., & Powell, W.W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48: 147-160.

*Friedland, R. & Alford, R.R. 1991. Bringing Society Back in: Symbols, Practices, and Institutional Contradictions. Pp. 232-266 in *The New Institutionalism in Organizational Analysis*, edited by Walter W. Powell and Paul J. DiMaggio. Chicago: University of Chicago Press

*Meyer and Rowan, 1977. Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology*, 83: 340-63.

*Tolbert, P.S., Zucker, L. 1983. Institutional sources of change in the formal structure of organizations: The diffusion of civil service reform, 1880-1935. *Administrative Science Quarterly*, 30: 22-39.

Zucker, L.G. 1987. Institutional theories of organizations. *Annual Review of Sociology*, 13: 443-464.

Session 11 (Nov. 11) –Institutional Theory II

*Heimer, C.A. 1999. Competing Institutions: Law, Medicine, and Family in Neonatal Intensive Care. *Law & Society Review*, 33: 17-66.

*Thornton, P. H., and Ocasio, W. 2008. Institutional Logics. Pp. 99-129 in the *Sage Handbook of Organizational Institutionalism*, edited by R. Greenwood, C. Oliver, R. Suddaby, and K. Sahlin. Thousand Oaks, CA: Sage.

* Westphal, J. D., Gulati, R., & Shortell, S. M. 1997. Customization or conformity? An institutional and network perspective on the content and consequences of TQM adoption. *Administrative Science Quarterly*, 42, 366-394.

*Kennedy, M.T., & Fiss, P.C. 2009. Institutionalization, Framing, and Diffusion: The Logic of TQM Adoption and Implementation Decisions among U.S. Hospitals. *Academy of Management Journal*, 52: 897-918.

*Suddaby, R. & Greenwood, R. 2005. Rhetorical Strategies of Legitimacy. *Administrative Science Quarterly*, 50: 35-67.

*Green, S.E., Li, Y. & Nohria, N. 2009. Suspended in Self-Spun Webs of Significance: A Rhetorical Model of Institutionalization and Institutionally Embedded Agency. *Academy of Management Journal*, 52: 11-36.

Heugens, P.P.M.A.R. & Lander, M.W. 2009. Structure! Agency! (and other quarrels): A meta-analysis of institutional theories of organization. *Academy of Management Journal*, 52: 61-85

Hirsch, P.M. 1997. Sociology without social structure: Neoinstitutional theory meets brave new world. *American Journal of Sociology*, 102: 1702-23.

Session 12 (Nov. 18) – Sensemaking and Enactment

*Daft, R.L., & Weick, K.E. 1984. Toward a model of organizations as interpretation systems. *Academy of Management Review*, 9: 284-295.

*Barley, S.R. 1986. Technology as an occasion for structuring: Evidence from observations of CT scanners and the social order of radiology departments. *Administrative Science Quarterly*, 31: 78-108.

*Weick, K.E. 1993. "The Collapse of Sensemaking in Organizations: The Mann Gulch Disaster" *Administrative Science Quarterly*, 38: 628-652.

*Porac, J., Thomas, H., Wilson, F., Paton, D. & Kanfer, A. 1995. Rivalry and the Industry Model of Scottish Knitwear Producers. *Administrative Science Quarterly*. 40: 203-227.

*Whiteman, G., and William H. Cooper. 2011. Ecological sensemaking. *Academy of Management Journal*, 54: 889-911.

Rindova, V.P., Bacerra, M. & Contardo, I. 2004. Enacting Competitive Wars: Competitive Activity, Language Games, and Market Consequences. *Academy of Management Review*, 29: 670-686.

Session 13 (Nov. 25) – Where to? The Future of Organization Theory

*Pfeffer, J. 1993. Barriers to the Advance of Organizational Science: Paradigm Development as a Dependent Variable. *Academy of Management Review*, 18: 599-620.

*Van Maanen, J. 1995. Style as theory. *Organization Science*, 6: 133-143.

*Davis, G.F., & Marquis, C. 2005. Prospects for Organization Theory in the Early Twenty-First Century: Institutional Fields and Mechanisms. *Organization Science*, 16: 332–343.

*Meyer, A.D., Gaba, V. and K. A. Colwell. 2005. Organizing Far from Equilibrium: Nonlinear Change in Organizational Fields. *Organization Science*, 16: 456-473.

*Heugens, P.M.A.R. *Organization theory: Bright prospects for a permanently failing field*. Inaugural Addresses Research in Management Series, RSM, Rotterdam.

*Thompson, M. 2011. Ontological Shift or Ontological Drift? Reality Claims, Epistemological Frameworks, and Theory Generation in Organization Studies. *Academy of Management Review*, 36: 754-773.

Stern, R.N., & Barley, S.R. 1996. Organizations and Social Systems: Organization Theory's Neglected Mandate. *Administrative Science Quarterly*, 41: 146-162.

Scott, W.R. 1996. The Mandate is Still Being Honored: In Defense of Weber's Disciples. *Administrative Science Quarterly*, 41: 163-171.

Session 14 (Dec. 2) – Paper Presentations

During this session, you will give short presentations on your research papers. No readings are assigned.