

Sociology 363A/ Education 375A/ MSE 389

SEMINAR ON ORGANIZATION THEORY

COURSE INFORMATION:

Class Meetings:

Location: Room 123 CERAS Building
Tuesday afternoon, 4:15p-7:05p

Instructor:

Walter W. Powell
Professor of Education (and) Sociology, Organizational Behavior, Management Science,
and Communication.
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Teaching Assistant:

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Goals of the Course:

This Ph.D. seminar is designed to introduce students to fundamental questions and approaches to the study of organizations. The purpose of the course is to provide students with a thorough grounding in the social science research literature on organizations. My goal is to familiarize you with the major theoretical and empirical traditions in organization theory. The readings are organized historically. This will enable students to understand the intellectual development of organization theory and the various shifts in emphasis: from workers to managers, from organizational processes to outputs, from studies of a single organization and its environment to studies of populations of organizations and organizational fields. In addition to the conceptual readings, the early weeks of the course are supplemented with historical materials that supply a social and political context for understanding the theoretical developments. By the end of the course, you should be well prepared to generate original research ideas about topics of interest to you.

The course is **not** open to master's students. (Masters students are directed to Edu 288, offered winter 2015.) If there are more than 16 students who wish to enroll, priority will be given to advanced students over first-year students, and enrolled students over auditors.

Course Requirements:

Students will share the responsibility for discussing materials and for raising questions. Each of you is expected to do **all** of the required reading and be prepared to talk about the materials in class. Final grades are based on three types of information.

1. All students will be asked to lead a portion of class discussion twice during the quarter. These assignments will be made on the first day of class. Leading a week's discussion entails providing the class with a short overview (20 minutes) of the main themes (strengths, weaknesses, and controversies), and guiding debate about the readings. Typically, I will present for the first 45 minutes, then turn to the weekly "experts", who will assume leadership of the discussion, based on materials and questions they have prepared and distributed. The students responsible for the discussion should also familiarize themselves with the optional readings for their week.

All students should arrive at class with questions, topics, and issues to be vetted and debated. Class participation involves both your engagement as a session leader and your active, thoughtful participation throughout the term. Your job is to come to class prepared to answer: *What are the central research questions or problems raised by the authors? What core concepts, evidence, and research methods are utilized?* As you do the readings, think about what the author did right as well as wrong. *What are the interesting ideas in the paper? If you disagree with an argument, what would it require to persuade you? Can these differences be adjudicated through further empirical study?* A good seminar should have active dialog and debate. If someone proposes an idea that is contrary to your view, speak up. I will often be intentionally provocative, so be prepared to push back. Your task is to engage one another in an assessment of the readings. Twenty five percent of the course grade is based on class participation.

2. Short memos: All students are asked to prepare brief memos (2 pages) relating to the readings for five of the assignments. It is your choice as to which weeks you do a short memo. The format may vary but it is useful to include:
 - (a) ideas, concepts, arguments that you found stimulating, worth remembering and building on,
 - (b) questions, concerns, disagreements with ideas encountered,
 - (c) connections, linkages, contradictions between one idea or approach and another.

Short memos are due by 6pm Monday, the day before class. Send them to me via email. Twenty five percent of your course grade will be based on the short memos.

3. Long memos: For four of the topics, students will prepare a more detailed memo (5 pages) assessing the weekly readings. You choose which week's readings you wish to analyze, but you must complete this assignment before the date the topic is discussed in class. The purpose of the longer memos is to help you grapple with the readings and respond with questions, criticisms, and new ideas. Although the memos and class discussion will identify the major points made by the readings and criticize them where appropriate, the main thrust of the longer memos should be on developing promising ideas suggested by the readings. If you wish to use the memos as a vehicle for pursuing your own research ideas, that would be great. When you choose to write a longer memo about a particular topic, you should consult the additional readings for that week. **Longer memos are due by 9am on the day of class.** Fifty percent of the course grade is based on the long memos.

Auditors are required to do assignments 1 and 2, but not 3.

This course cannot be taken on a Pass/Fail basis.

No memos will be accepted after the last day of class on December 2nd.

Course Materials:

Two books are ordered through the Stanford Bookstore:

Chandler, Alfred D. 1977. *The Visible Hand: The Managerial Revolution in American Business*. Harvard University Press, paperback.

Powell, Walter W. and Paul J. DiMaggio, eds. 1991. *The New Institutionalism in Organizational Analysis*, University of Chicago Press, paperback.

A *Course Pack (CP)* available from Field Copy, fcp1@aol.com, (650) 323-3155. They will bring copies of the reader to the first class. The reader will subsequently be available from Field Copy at the first class.

Starred (*) readings below are suggested and supplementary. These are valuable works that you should be familiar with. The case studies represented by two stars (**) are intended as additional readings for students who want to learn more about this line of research. Some of the books are revised doctoral dissertations, and may be particularly useful as illustrations of exemplary work that could serve as models or aspirations.

Exemplary memos and presentations from previous classes have been posted on the Coursework page for the class.

Week 1: September 23rd: ORIENTATION

Introductions
Discussion of expectations and requirements
Assignment of discussion leaders

For fun and enlightenment, you should read these two articles posted on Coursework:

Davis, Murray S. 1971. "That's Interesting! Towards a Phenomenology of Sociology and a Sociology of Phenomenology." *Philosophy and Social Science* 1: 309-44.

Stinchcombe, Arthur. 1982. "Should Sociologists Forget Their Mothers and Fathers?" *The American Sociologist* 17: 2-11.

Week 2: September 30th: THE ORIGINS OF MODERN ORGANIZATIONS

A. Pre-bureaucratic Forms

Thompson, E. P.. 1967. "Time, work discipline, and industrial capitalism." *Past and Present*, pp. 56-97. **CP**

Chandler, Alfred D. 1977. *The Visible Hand*, Harvard University Press, Ch. Introduction, chapters 1 and 2 (pp.1-78). Peruse Part II.

B. Rise of Bureaucratic Administration

Weber, Max. "The types of legitimate domination," and "Bureaucracy," in *Economy and Society*, vol 1, University of California Press, pp. 212-26, pp. 956-963. **CP**

Lipset, Seymour Martin. Introduction to Robert Michaels' *Political Parties* (1911), pp. 15-39. **CP**

Perrow, Charles. 1986. "Why Bureaucracy?" from *Complex Organizations*, New York: McGraw-Hill, pp. 1-48. **CP**

* Khurana, Rakeesh. 2007. *From Higher Aims to Hired Hands: The Social Transformation of American Business Schools*. Princeton University Press, especially chapter 1.

** Lipset, Seymour Martin, M. Trow, and J. Coleman. 1956. *Union Democracy: The Inside Politics of the International Typographical Union*. Free Press.

C. Scientific Management

Taylor, Frederick Winslow. 1916. "The Principles of Scientific Management." *Bulletin of the Taylor Society*. **CP**

Callahan, Raymond. *Education and the Cult of Efficiency*. University of Chicago Press. Chapters 1, 6, and 10. (Especially recommended for GSE students). **CP**

Chandler, Alfred D. *The Visible Hand*. Chapter 8, "Mass Production."

*Shenhav, Yehouda. 1995. "From chaos to systems: The engineering foundations of organization theory." *Administrative Science Quarterly*, 40: 557-86 (Especially recommended for MS&E students). **CP**

*Bendix, Reinhard. 2001 (new edition of 1956 book). *Work and Authority in Industry*. New Edition. Transaction Books.

**Tyack, David. 1974. *The One Best System*. Harvard University Press.

**Guillen, Mauro. 1994. *Models of Management: Work, Authority, and Organization in a Comparative Perspective*. University of Chicago Press.

Week 3: October 7th: INFORMAL ORGANIZATION

Chapters 12 and 13 (pp. 377-454) in Chandler, *The Visible Hand*.

Barnard, Chester. 1938. *Functions of the Executive*. Harvard University Press, pp. 82-95, 165-171. **CP**

Blau, Peter M. 1955. "Consultation Among Colleagues," Ch. 9 from *Dynamics of Bureaucracy*, University of Chicago Press. **CP**

Dalton, Melville. 1959. "Relations between staff and line," Ch. 4 from *Men Who Manage*, John Wiley. **CP**

Braverman, Harry. 1974. *Labor and Monopoly Capital*. Monthly Review Press, Ch. 4, pp. 85-123. **CP**

Burawoy, Michael. 1979. *Manufacturing Consent*. U. of Chicago Press, Ch. 4, pp. 46-73. **CP**. Go online and read the short reviews of Burawoy's "legacy" in "A Continuities Symposium on Manufacturing Consent," *Contemporary Sociology* 2001, 30(5): 435-58.

Vallas, Steven P. 2003. "Why Teamwork Fails: Obstacles to Workplace Change in Four Manufacturing Plants." *American Sociological Review* 68: 223-50. **CP**

* Marglin, Stephen. 1974. "What do bosses do? The origins and functions of hierarchy in capitalist production." *The Review of Radical Political Economy* 6: 33-60.

*Goldberg, Victor P. 1980. "Bridges over contested terrain: exploring the radical account of the employment relation." *Journal of Economic Behavior and Organization* 1: 249-274.

**Selznick, Phillip. 1949. *TVA and the Grassroots*. University of California Press.

**Gouldner, Alvin. 1954. *Patterns of Industrial Bureaucracy*. Free Press.

**Hodgson, Randy. 2001. *Dignity at Work*. Cambridge University Press.

Week 4: October 13th: THE CARNEGIE SCHOOL (This will be rescheduled for sometime on Monday, October 13th)

A. The Decision-Making Tradition

Simon, Herbert. 1997. *Administrative Behavior*, 4th edition. Free Press. Ch. 5 and commentary on The Psychology of Administrative Decisions. **CP**

March, James G., and Herbert Simon. 1958. *Organizations*. McGraw-Hill, Ch. 6, "Cognitive Limits on Rationality," **CP**

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. **CP**

Perrow, Charles, 1986. "The neo-Weberian Model," *Complex Organizations*, pp. 119-31, **CP**

*Simon, Herbert. 1978. "Rationality as Process and Product of Thought." *American Economic Review* 68: 1-16.

**Gavetti, G., D. Levinthal, and W. Ocasio. 2007. "Neo-Carnegie: The Carnegie School's Past, Present, and Reconstructing for the Future." *Organization Science* 18:523-36.

B. Carnegie Goes to California

March, James and Johan Olsen. Chapters 1-4 of *Ambiguity and Choice in Organizations*. Bergen: Universitetsforlaget, 1976, pp. 10-68. **CP**

Cohen, Wesley and Daniel Levinthal. 1990. "Absorptive Capacity: A new perspective on learning and innovation." *ASQ* 35: 128-52. **CP**

March, James G. 1991. "Exploration and Exploitation in Organizational Learning." *Organization Science* 2(1): 71-87. **CP**

*Hutchins, Edwin. 1991. "Organizing Work by Adaptation." *Organization Science* 2(1): 20-57.

**Argote, Linda. 1999. *Organizational Learning: Creating, Retaining and Transferring Knowledge*. Kluwer.

Week 5: October 21st: RESOURCE CONTINGENCY AND THE EXTERNAL ENVIRONMENT

A. Contingency Theory

Thompson, James D. 1967. *Organizations in Action*. McGraw-Hill, pp.1-65. **CP**

Perrow, Charles. 1967. "A Framework for the Comparative Analysis of Organizations." *ASR* 32(2):194-208. **CP**

Stinchcombe, Arthur. 1990. *Information and Organizations*. University of California Press. Read the first and last chapters. **CP**

Padgett, John. 1992. "The Alchemist of Contingency Theory: Review Essay on Stinchcombe." *Contemporary Sociology* 97(5):1462-70. **CP**

*Hickson, David et al. 1971. "A Strategic Contingencies Theory of Interorganizational Power." *ASQ* 16: 216-29.

B. Resource Dependence and Power and Influence

Pfeffer, Jeffrey and Gerald Salancik. 1978. *The External Control of Organizations*. Harper & Row, Chs. 3 and 4, pp. 39-91. **CP**

Chandler, Alfred D. 1977. *The Visible Hand*. Read Ch. 14 and the conclusion (pp. 455-500).

Davis, Gerald and Henrich Greve. 1997. "Corporate Elite Networks and Governance Changes in the 1980s." *AJS* 103:1-37. **CP**

*Fligstein, Neil. 1987. "The Intraorganizational Power Struggle: Rise of Finance Personnel to Top Leadership in Large Corporations, 1919-79." *ASR* 52: 44-58.

**Crozier, Michel. 1964. "Power and uncertainty." Ch. 6 in his *The Bureaucratic Phenomenon*. Chicago: University of Chicago Press.

**Davis, Jerry. 2009. *Managed By the Markets: How Finance Reshaped America*. New York: Oxford University Press.

Week 6: October 28th: THE ECONOMICS OF ORGANIZATION

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

Williamson, Oliver E. 1996. "Transaction Cost Economics and Organization Theory." Ch. 9 in *The Mechanisms of Governance*, Oxford University Press. **CP**

Williamson, Oliver E. 1975. *Markets and Hierarchies*. Free Press, pp. 132-54 on the multidivisional structure. **CP**

Williamson, Oliver E. 1985. *The Economic Institutions of Capitalism*. Free Press. Pp. 206-239 on the organization of work. **CP**

Granovetter, Mark 1985. "Economic action and social structure: The problem of embeddedness." *AJS* 91:481-510. **CP**

Klein, Benjamin. 1988. "Vertical Integration as Organizational Ownership: The Fisher Body – General Motors Relationship Revisited." *Journal of Law, Economics, and Organization* 4:199-213. **CP**

Freeland, Robert. 2000. "Creating Holdup Through Vertical Integration: Fisher Body Revisited." *Journal of Law and Economics* pp. 33-66. **CP**

Week 7: November 4th: THE NEW INSTITUTIONALISM

Meyer, John W., and Brian Rowan 1977. "Institutional organizations: Structure as myth and ceremony." *AJS* 83: 340-63. Reprinted in Powell and DiMaggio volume.

DiMaggio, Paul J. and Walter W. Powell 1983. "The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields." *ASR* 48: 147-60. Reprinted in Powell and DiMaggio volume.

Powell, Walter W., and Paul J. DiMaggio, eds. 1991. "Introduction", *The New Institutionalism in Organizational Analysis*. University of Chicago Press, pp. 1-38.

DiMaggio, Paul J. "Constructing an organizational field as a professional project: U.S. art museums, 1920-40." Pp. 267-92 in Powell and DiMaggio volume.

Zuckerman, Ezra. 1999. "The categorical imperative: Securities analysts and the legitimacy discount." *American Journal of Sociology* 104: 1398-1438. **CP**

Colyvas, Jeannette and W.W. Powell. 2006. "Roads to Institutionalization." *Research in Organizational Behavior*, ed. By B. Staw. JAI Press. Available on my webpage.

Dobbin, Frank and Erin Kelly. 2007. "How to Stop Harassment: Professional Construction of Legal Compliance in Organizations." *AJS* 112(4): 1203-42. **CP**

*Mahoney, James and Kathleen Thelen. 2010. "A Theory of Gradual Institutional Change," CH. 1 in their *Explaining Institutional Change*, Cambridge University Press.

**Dobbin, Frank. 1994. *Forging Industrial Policy: The U.S., Britain and France in the Railway Age*. Cambridge University Press.

**Clemens, Elisabeth. 1997. *The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the U.S. 1890-1925*. University of Chicago Press.

*Dobbin, Frank. 2009. *Inventing Equal Opportunity*. Princeton University Press.

Week 8: November 11th: POPULATION AND COMMUNITY ECOLOGY

A. Organizational Ecology

Stinchcombe, Arthur. 1965. "Social Structure and Organizations." Pp. 142-169 in *Handbook of Organizations*, ed. by J.G. March, McGraw-Hill. **CP**

Hannan, Michael T. and John Freeman. 1977. "The population ecology of organizations." *AJS* 82: 929-64. **CP**

Carroll, Glenn and Anand Swaminathan. 2000. "Why the Microbrewery Movement? Organizational Dynamics of Resource Partitioning in the U.S. Brewing Industry." *AJS* 106(3): 715-762. **CP**

Hsu, Greta and Michael T. Hannan. 2005. "Identities, Genres, and Organizational Forms." *Organization Science* 16(5): 474-90. **CP**

*Hannan, Michael T., and John Freeman. 1989. *Organizational Ecology*. Harvard U. Press.

*Carroll, Glenn and Michael Hannan. 2000. *The Demography of Corporations and Industries*. Princeton University Press.

B. Community Ecology

Ruef, Martin. 2000. "The emergence of organizational forms: A community ecology approach." *AJS* 106: 658-714. **CP**

Freeman, John and Pino Audia. 2006. "Community Ecology and the Sociology of Organizations." *Annual Review of Sociology* 32: 145-69. **CP**

*McKendrick, David and Glenn Carroll. 2001. "On the Genesis of Organizational Forms: Evidence from the Market for Disk Drive Arrays." *Organization Science* 12: 661-82.

Week 9: November 18th: NETWORKS AND ORGANIZATIONS

Burt, Ron. 1992. *Structural Holes*. Harvard University Press. Ch. 1, The Social Structure of Competition, pp. 8-49. **CP**

Powell, Walter W., K. Koput, and L. Smith-Doerr. 1996. "Interorganizational Collaboration and the Locus of Innovation." *ASQ* 41(1): 116-45. Available on my webpage.

Podolny, Joel. 2001. "Networks as the Pipes and Prisms of the Market." *AJS* 107(1): 33-60. **CP**

Burt, Ron. 2004. "Structural Holes and Good Ideas." *AJS* 110(2): 349-99. **CP**

Powell, Walter W., D. White, K. Koput, and J. Owen-Smith. 2005. "Network Dynamics and Field Evolution: The Growth of Interorganizational Collaboration in the Biotechnology Industry." *AJS*, 110(4):1132-1205. Available on my webpage.

*Powell, Walter W. 1990. "Neither market nor hierarchy: Network forms of organization." *Research in Organization Behavior*, 12: 295-336, Barry M. Staw and L. L. Cummings, eds. JAI. Available on my webpage.

*Padgett, John F. and Christopher K. Ansell. 1993. "Robust Action and the Rise of the Medici, 1400-1434." *AJS* 98(6): 1259-1319.

*Burt, Ronald. 2005. "The Social Capital of Structural Holes." Chapter 1 from Ronald Burt, *Brokerage and Closure: An Introduction to Social Capital*. New York: Oxford University Press, pp. 10-38 and 47-57.

*Schrank, Andrew and Josh Whitford. 2011. "The Anatomy of Network Failure." *Sociological Theory* 29(3): 151-77.

*Vedres, Balazs and David Stark. 2010. "Structural Folds: Generative Disruption in Overlapping Groups." *AJS* 115(4): 1150-90. **CP**

**Small, Mario. 2009. *Unanticipated gains: Origins of Network Inequality in Everyday Life*. New York: Oxford University Press.

Week 10: December 2nd: NEW DIRECTIONS OR RECOMBINATIONS?

Kellogg, Katherine. 2009. "Operating Room: Relational Spaces and Microinstitutional Change in Surgery." *AJS* 115(3):657-711. **CP**

Briscoe, Forrest and Sean Safford. 2008. "The Nixon-in-China effect: Activism, imitation, and institutionalization." *Administrative Science Quarterly* 53: 529-67.

Wang, Dan and Sarah Soule. 2012. "Social Movement Organizational Collaboration: Networks of Learning and the Diffusion of Protest Tactics." *American Journal of Sociology* 117(6): 1674-1722. **CP**

Padgett, John F. and W. W. Powell. 2012. "The Problem of Emergence," Ch. 1 in *The Emergence of Organizations and Markets*. Princeton University Press. (I will distribute.)