

Organization Theory Foundation of Strategy

Course No : 02804090

Credit : 1

Prerequisite :

Program : Graduate

Instructor : Zhong Weiguo

Semester : 2015 Fall

Instructor's resume/brief introduction(Within 500 words):

Dr. Zhong graduated from City University of Hong Kong and joined GSM in 2014. His research focuses on the interorganizational relationships and governance mechanisms. In addition to the issue of governance in relationships, he is also interested in strategic networking and firm performance, the internationalization of firms from emerging markets, innovation strategies such as new product development, services innovation, and customer co-creation. His research in these areas has appeared in journals such as *Journal of International Business Studies*, *Journal of Management*, *Journal of Business Research*, *Industrial Marketing Management*, *Academy of Management Best Paper Proceedings*, *Journal of Technology Management in China*, *Management World*, *Science Management*, and *Southern Economics*.



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TA's contact information::

Office hour:

By appointment

Program Learning Goals and Objectives

- 1 **Learning Goal 1** Graduates will be thoroughly familiar with the specialized knowledge and theories required for the completion of academic research.
 - 1.1 Objective 1 Graduates will have a deep understanding of basic knowledge and theories in their specialized area.
 - 1.2 Objective 2 Graduates will be familiar with the latest academic findings in their specialized area and will be knowledgeable about related areas.
 - 1.3 Objective 3 Graduates will be familiar with research methodologies in their specialized area, and will be able to apply them effectively.
- 2 **Learning Goal 2** Graduates will be creative scholars, who are able to write and publish high-quality graduation dissertation and research papers.
 - 2.1 Objective 1 Graduates will write and publish high-quality graduation dissertation and research papers
 - 2.2 Objective 2 Graduates will be critical thinkers and innovative problems solvers.

- 3 **Learning Goal 3** Graduates will have a broad vision of globalization and will be able to communicate and cooperate with international scholars
- 3.1 Objective 1 Graduates will have excellent oral and written communication skills
- 3.2 Objective 2 Graduates will be able to conduct efficient academic communication in at least one foreign language
- 4 **Learning Goal 4** Graduates will be aware of academic ethics and will have a sense of social responsibility.
- 4.1 Objective 1 Graduates will have a sense of social responsibility.
- 4.2 Objective 2 Graduates will be aware of potential ethical issues in their academic career.
- 4.3 Objective 3 Graduates will demonstrate concern for social issues.

Course Overview

This course is designed to provide a strong foundation for critical thinking in the area of strategic management focusing on its foundation of Organization Theory. It will be run as a seminar examining theories and empirical studies of strategic management. The course will be inter-disciplinary. To avoid overlap with the Economics Foundation of Strategy seminar that will be taught by Professor Changqi Wu and Classics in Strategy Research by Professor Jiangyong Lu, this seminar will examine handful number of important theories of organizational theory in depth.

This course focuses generally on classics and more recent approaches of organization theory in economic organizations. Five topics will be addressed: 1) organizational theory and its integration with strategic management, 2) institutional theory, 3) social networks and IORs, 4) organizational categories and identities, and 5) social movements and institutional change

Course Objectives

This course aims to

- Introduce the students with the important frameworks, concepts and methodological issues of organization theory to examine strategic management problems.
- Familiarize students with the current trends and advanced topics in organization theory.
- Provide students general knowledge about organization theory and guide them to integrate organization theory with strategic management research in a constructive manner.

To encourage learning, students are expected to actively participate in class discussions. You should read carefully all required readings before each class. You should be ready to talk about the main message, methodological sophistications, and possible extensions of the papers under required readings. Each week, papers in the reading list will be individually assigned. A one to two page (typed, single spaced) *critical summary of the assigned paper* will be required from each student, before class (*Bring enough copies to the class to distribute to all the participants*). In discussion, avoid simple summary. Rather focus on **critique and possible extensions**.

The summary should include:

1. What is the main research question of the paper? Is this an important question?
2. What are the assumptions in the paper? Are they valid? Why or why not?
3. How is the paper designed? Is the empirical method appropriate?

4. What are the conclusions of the paper? Does the paper answer the questions proposed?
5. What is the possible way of extension? How would you proceed?
6. How would you position the article among the assigned readings or in the field?

Detailed Course Plan

Class 1 (Tuesday September 15, 13:00-16:00): Introduction and Theories of Organization

The instructor will provide an introduction to the class; and will review the syllabus and assign the readings for the term.

- **Fundamental papers**

- Pfeffer, J. (1993). Barriers to the Advance of Organizational Science: Paradigm Development as a Dependent Variable. *Academy of Management Review*, 18(4): 599-620.
- Koza, M. P., & Thoenig, J. C. (1995). Organizational theory at the crossroads: some reflections on European and United States approaches to organizational research. *Organization Science*, 6(1): 1-8.
- Hesterly, W. S., Liebeskind, J., & Zenger, T. R. (1990). Organizational economics: an impending revolution in organization theory?. *Academy of Management Review*, 15(3): 402-420.
- Davis, G. F., & Marquis, C. (2005). Prospects for theory about organizations in the early 21st Century: Institutional fields and mechanisms. *Organization Science*, 16(4): 332-343.
- Lounsbury, M., & Beckman, C. M. (2014). Celebrating organization theory. *Journal of Management Studies*.
- Jemison, D. B. (1981). The contributions of administrative behavior to strategic management. *Academy of Management Review*, 6(4): 633-642.
- Jemison, D. B. (1981). The importance of an integrative approach to strategic management research. *Academy of Management Review*, 6(4): 601-608.
- Hosmer, L. T. (1995). Trust: The connecting link between organizational theory and philosophical ethics. *Academy of management Review*, 20(2): 379-403.
- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1): 145-179.
- Oliver, C. (1997). Sustainable competitive advantage: Combining institutional and resource-based views. *Strategic Management Journal*, 18(9): 697-713.

- **Critique papers**

- Yue, L. Q., Luo, J., & Ingram, P. (2013). The Failure of Private Regulation Elite Control and Market Crises in the Manhattan Banking Industry. *Administrative Science Quarterly*, 58(1): 37-68.
- Briscoe, F., & Murphy, C. (2012). Sleight of hand? Practice opacity, third-party responses, and the interorganizational diffusion of controversial practices. *Administrative Science Quarterly*, 57(4): 553-584.
- Rogan, M. (2013). Too close for comfort? The effect of embeddedness and competitive overlap on client relationship retention following an acquisition. *Organization Science*, 25(1): 185-203.

Class 2 (Tuesday September 22, 13:00-16:00): Institutional Theory

- **Fundamental papers**

Sociological Institutionalism

- Jepperson, Ronald L. (1991). Institutions, institutional effects, and institutionalism. Pp. 143-163 in Walter W. Powell and Paul J. DiMaggio (Eds.). ***New Institutionalism in Organizational Analysis***. Chicago, IL: University of Chicago Press.
- Meyer, John W. (2008). Reflections on Institutional Theories of Organizations. In ***Handbook of Organizational Institutionalism***, ed. by R. Greenwood, C. Oliver, R. Suddaby & K. Sahlin-Andersson, Thousand Oaks, CA: Sage, 2007.

Historical Institutionalism

- Thelen, K. (1999). Historical institutionalism in comparative politics. ***Annual Review of Political Science***, 2(1): 369-404.

Economic Institutionalism

- Williamson, O. E. (1981). The economics of organization: The transaction cost approach. ***American Journal of Sociology***, 87(3): 548-577.
- North, D. C., & Weingast, B. R. (1989). Constitutions and commitment: the evolution of institutions governing public choice in seventeenth-century England. ***Journal of Economic History***, 49(04): 803-832.

General Papers

- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. ***American Sociological Review***, 48(2): 147-160.
- Meyer, J. W. & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. ***American Journal of Sociology***, 83(2): 340-363.
- Meyer, R. E., & Höllerer, M. A. (2014). Does Institutional Theory Need Redirecting?. ***Journal of Management Studies***.
- Kostova, T., Roth, K., & Dacin, M. T. (2008). Institutional theory in the study of multinational corporations: A critique and new directions. ***Academy of Management Review***, 33(4): 994-1006.
- Marquis, C., & Lounsbury, M. (2007). Vive la résistance: Competing logics and the consolidation of US community banking. ***Academy of Management Journal***, 50(4): 799-820.
- **Critique papers**
 - Batjargal, B., Hitt, M., Tsui, A., Arregle, J. L., Webb, J., & Miller, T. (2012). Institutional polycentrism, entrepreneurs' social networks and new venture growth. ***Academy of Management Journal***.
 - Ang S. H., Benischke M. H., & Doh J. P. (2014). The interactions of institutions on foreign market entry mode. ***Strategic Management Journal***.
 - Sauermann, H., & Stephan, P. (2013). Conflicting logics? A multidimensional view of industrial and academic science. ***Organization Science***, 24(3): 889-909.

Class 3 (Tuesday September 29, 13:00-16:00): Social Networks and IORs

● **Fundamental papers**

- Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. ***American Journal of Sociology***, 91: 481-510.
- Uzzi, B. (1997). Social structure and competition in interfirm networks: The paradox of embeddedness. ***Administrative Science Quarterly***, 42: 35-67.

- Granovetter, M. (1973). The strength of weak ties. *American Journal of Sociology*, 78: 1360- 1380.
- Burt, R. S. (2004). Structural holes and good ideas1. *American Journal of Sociology*, 110(2): 349-399.
- Hansen, M. T. (1999). The search-transfer problem: The role of weak ties in sharing knowledge across organization subunits. *Administrative Science Quarterly*, 44(1): 82-111.
- Xiao, Z. & Tsui, A.S. (2007). When brokers may not work: The cultural contingency of social capital in Chinese high-tech firms. *Administrative Science Quarterly*, 52: 1-31.
- Kilduff, M., & Brass, D. J. (2010). Organizational social network research: Core ideas and key debates. *Academy of Management Annals*, 4(1): 317-357.
- Brass, D. J., Galaskiewicz, J., Greve, H. R., & Tsai, W. (2004). Taking stock of networks and organizations: A multilevel perspective. *Academy of Management Journal*, 47(6): 795-817.
- Borgatti, S. P., & Foster, P. C. (2003). The network paradigm in organizational research: A review and typology. *Journal of Management*, 29(6): 991-1013.
- Carpenter, M. A., Li, M., & Jiang, H. (2012). Social network research in organizational contexts: A systematic review of methodological issues and choices. *Journal of Management*, 38(4): 1328-1361.
- Phelps, C., Heidl, R., & Wadhwa, A. (2012). Knowledge, networks, and knowledge networks a review and research agenda. *Journal of Management*, 38(4): 1115-1166.
- Oliver, C. (1990). Determinants of interorganizational relationships: Integration and future directions. *Academy of Management Review*, 15(2): 241-265.
- Barringer, B. R., & Harrison, J. S. (2000). Walking a tightrope: creating value through interorganizational relationships. *Journal of Management*, 26(3): 367-403.
- Ibarra, H., Kilduff, M., & Tsai, W. (2005). Zooming in and out: Connecting individuals and collectivities at the frontiers of organizational network research. *Organization Science*, 16(4): 359-371.
- **Critique papers**
 - Wang Chunlei, Rodan Simon, Fruin Mark, Xu Xiaoyan. 2014. Knowledge Networks, Collaboration Networks, and Exploratory Innovation. *Academy of Management Journal*.
 - Markóczy, L., Li Sun, S., Peng, M. W., & Ren, B. (2013). Social network contingency, symbolic management, and boundary stretching. *Strategic Management Journal*, 34(11): 1367-1387.
 - Cui, A. S., Calantone, R. J., & Griffith, D. A. (2011). Strategic change and termination of interfirm partnerships. *Strategic Management Journal*, 32(4): 402-423.

Class 4 (Tuesday October 6, 13:00-16:00): National Day Holiday, no class (self-reading)

Geography and Community as Institutional Environments

- Marquis, Christopher. 2003. "The Pressure of the Past: Network Imprinting in Intercorporate Communities." *Administrative Science Quarterly*, 48: 655-689.
- Stuart, T. E., & Sorenson, O. 2003. Liquidity Events and the Geographic Distribution of Entrepreneurial Activity. *Administrative Science Quarterly*, 48(2): 175-201.
- Tilcsik, A., & Marquis, C. (2013). Punctuated Generosity How Mega-events and Natural Disasters Affect Corporate Philanthropy in US Communities. *Administrative Science Quarterly*.

Class 5 (Tuesday October 13, 13:00-16:00): Organizational Categories and Identities**• Fundamental papers**

- Zuckerman, E. W. (1999). The categorical imperative: Securities analysts and the illegitimacy discount. *American Journal of Sociology*, 104(5): 1398-1438.
- Baron, J. N. (2004). Employing identities in organizational ecology. *Industrial and Corporate Change*, 13(1): 3-32.
- Rao, H., Davis, G. F., & Ward, A. (2000). Embeddedness, social identity and mobility: Why firms leave the NASDAQ and join the New York Stock Exchange. *Administrative Science Quarterly*, 45(2): 268-292.
- Scott, S. G., & Lane, V. R. (2000). A stakeholder approach to organizational identity. *Academy of Management Review*, 25(1): 43-62.
- Glynn, M. A., & Abzug, R. (2002). Institutionalizing identity: Symbolic isomorphism and organizational names. *Academy of Management Journal*, 45(1): 267-280.
- Foreman, P., & Whetten, D. A. (2002). Members' identification with multiple-identity organizations. *Organization Science*, 13(6): 618-635.
- Brickson, S. L. (2005). Organizational identity orientation: Forging a link between organizational identity and organizations' relations with stakeholders. *Administrative Science Quarterly*, 50(4): 576-609.
- Ingram, P., & Qingyuan Yue, L. (2008). Structure, affect and identity as bases of organizational competition and cooperation. *Academy of Management Annals*, 2(1): 275-303.
- Glynn, M. A., & Navis, C. (2013). Categories, identities, and cultural classification: Moving beyond a model of categorical constraint. *Journal of Management Studies*, 50(6): 1124-1137.

• Critique papers

- Gioia, D. A., Price, K. N., Hamilton, A. L., & Thomas, J. B. (2010). Forging an identity: An insider-outsider study of processes involved in the formation of organizational identity. *Administrative Science Quarterly*, 55(1): 1-46.
- Jensen, M. (2006). Should we stay or should we go? Accountability, status anxiety, and client defections. *Administrative Science Quarterly*, 51(1): 97-128.
- Uri Gal, Tina Blegind Jensen, & Kalle Lyytinen (2014) Identity orientation, social exchange, and information technology use in interorganizational collaborations. *Organization Science*.

Class 6 (Tuesday October 20, 13:00-16:00): Social Movements and Institutional Change**• Fundamental papers**

- Zald, M. N., & Berger, M. A. (1978). Social movements in organizations: Coup d'etat, insurgency, and mass movements. *American Journal of Sociology*, 83: 823-861.
- Hedström, P., & Swedberg, R. (1998). Social mechanisms: An introductory essay. In P. Hedström, & R. Swedberg (Eds.), *Social mechanisms: An analytical approach to social theory*: 1-31. Cambridge New York: Cambridge University Press.
- Fligstein, N., & McAdam, D. (2011). Toward a general theory of strategic action fields. *Sociological*

theory, 29(1): 1-26.

- Weber, K., Rao, H., & Thomas, L. G. (2009). From streets to suites: How the anti-biotech movement affected German pharmaceutical firms. *American Sociological Review*, 74(1): 106-127.
- Rao, H., Monin, P., & Durand, R. (2003). Institutional Change in Toque Ville: Nouvelle Cuisine as an Identity Movement in French Gastronomy. *American Journal of Sociology*, 108(4): 795-843.
- Ingram, P., Yue, L. Q., & Rao, H. (2010). Trouble in Store: Probes, Protests, and Store Openings by Wal - Mart, 1998 – 20071. *American Journal of Sociology*, 116(1): 53-92.
- King, B. G. (2008). A political mediation model of corporate response to social movement activism. *Administrative Science Quarterly*, 53(3): 395-421.
- King, B. G., Felin, T., & Whetten, D. A. (2010). Perspective-Finding the Organization in Organizational Theory: A Meta-Theory of the Organization as a Social Actor. *Organization Science*, 21(1): 290-305.
- Andrews, K. T., & Biggs, M. (2006). The dynamics of protest diffusion: Movement organizations, social networks, and news media in the 1960 sit-ins. *American Sociological Review*, 71(5): 752-777.
- Benford, R. D., & Snow, D. A. (2000). Framing processes and social movements: An overview and assessment. *Annual Review of Sociology*, 611-639.
- King, B. G., & Pearce, N. A. (2010). The contentiousness of markets: Politics, social movements, and institutional change in markets. *Annual Review of Sociology*, 36: 249-267.
- King, B. G., & Soule, S. A. (2007). Social movements as extra-institutional entrepreneurs: The effect of protests on stock price returns. *Administrative Science Quarterly*, 52(3): 413-442.
- **Critique papers**
 - Van Wijk, J., Stam, W., Elfring, T., Zietsma, C., & Den Hond, F. (2013). Activists and incumbents tying for change: the interplay between agency, culture and networks in field evolution. *Academy of Management Journal*, 56(2): 358-386.
 - Brickson, S. L. (2013). Athletes, best friends, and social activists: an integrative model accounting for the role of identity in organizational identification. *Organization Science*, 24(1): 226-245.

Final Exam:

Teaching Methods

The module is conducted in a seminar format including:

- Formal discussion
- Paper critiques and presentation
- Final proposal

For each session, one student will be assigned to be the *integrator*. The integrator will not be required to turn in a paper summary for that session. S/he, however, will prepare a 1-2 pages of tables or diagrams that summarize all the readings assigned for that session (Please tie together the session's readings and place them in the context of the field). Then the integrator will facilitate discussions for each paper after the critique by assigned students.

IT tools to be used in the classroom

Computer, projector, and videos

Textbooks

- Organization theory: Challenges and perspectives / John McAuley, Joanne Duberley, Phil Johnson. McAuley, John. Harlow: Pearson Education Limited, 2014. 2nd ed.
- Organization theory: modern, symbolic, and postmodern perspectives/Mary Jo Hatch with Ann L. Cunliffe. Hatch, Mary Jo. Oxford : Oxford University Press, c2013. 3rd ed.
- Key concepts in organization theory / John T. Luhman and Ann L. Cunliffe. Luhman, John T. London : SAGE, 2013.
- Philosophy and organization theory [electronic resource] / edited by Haridimos Tsoukas, Robert Chia. Bingley, U.K.: Emerald, 2011.
- Haridimos Tsoukas, Christian Knudsen, & George D. Mavros. 2003. The Oxford Handbook of Organization Theory. Oxford University Press.
- Classics of organization theory / [edited by] Jay M. Shafritz, J. Steven Ott, Yong Suk Jang. Boston, MA : Wadsworth Cengage Learning, c2011. 7th ed.
- Powell, W. W., & DiMaggio, P. J. (Eds.). (2012). The new institutionalism in organizational analysis. University of Chicago Press.
- Greenwood, R., Oliver, C., Suddaby, R., & Sahlin-Andersson, K. (Eds.). (2008). The Sage handbook of organizational institutionalism. Sage.
- Logics of Organization Theory : Audiences, Codes, and Ecologies. Hannan, Michael T. Polos, Laszlo Carroll, Glenn R. Princeton University Press. Location: Princeton, NJ, USA. 2011.
- Jeffrey Pfeffer. 1997. New Directions for Organization Theory: Problems and Prospects. Oxford University Press.
- Classics of organization theory / [edited by] Jay M. Shafritz, J. Steven Ott. Pacific Grove, Calif. : Brooks/Cole Pub., c1992. 3rd ed.
- Organization theory: selected readings / edited by Derek S. Pugh. London: Penguin Books, 1997. 4th ed.

References & Readings

Detailed references have been listed in the session Four.

Videos, CD-ROMs and other adjunct learning resources used

Newspaper reports

Rules students must follow

The class has the following general requirements:

- **Class Participation**: Because this course is a seminar, most of the action takes place during class discussion. Thus, all participants should show up prepared to discuss the assigned readings.
- **Final Paper**: There is not a final paper requirement for the class, but at the conclusion of the class, participants may submit a research paper or prospectus (on any topic) they are working on to the instructor for developmental feedback.

For each class:

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- Class sessions will typically begin with the instructor providing a general overview of the session, highlighting relevant background and context of the assigned readings. Next will be a more focused discussion and critique of the individual papers that are assigned for that week, lead by the integrator. The final segment of the class will be a general discussion led by the instructor, which will focus on the questions that the students send in advance. The instructor will then wrap-up the discussion with some concluding comments.
 - Discussion of Assigned Reading: Each student will provide a review and critique of the assigned readings during the class session. This 10-15 minute presentation should include 1) the 2-3 main contributions of the work and/or why you think the paper is interesting, and 2) the 2-3 areas of improvement for the paper.

Academic Integrity

DO NOT COPY, PARAPHRASE OR TRANSLATE ANYTHING FROM ANYWHERE WITHOUT STATING FROM WHERE YOU OBTAINED IT!

Course Assessment

Your final grade will be determined as follows:

Attendance and class participation: 35%

Critique summary: 50%

Class quizzes: 15%

Attendance and class participation:

This part of the grade include your attendance of the class (including timeliness), your role as a critique and as a session chair, as well as your contribution to class discussion of the assigned readings.

Class Quizzes:

Occasionally the instructor may give **quizzes** for the assigned readings at the beginning of the class. Not all the quizzes will be graded. However, some of them will be graded and will count toward course grade.