

RSM 3002: STRATEGY AND ORGANIZATIONS
Rotman School of Management
University of Toronto
Fall 2022

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Class time/room: Tuesdays 2-5pm, RT 7024

Office hours: by appointment, send me an email

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Description

This doctoral course reviews theory and research in organizational theory, with a particular focus on contributions to strategic management. Organization theory seeks to explain the origins, persistence, and disappearance of the social structures that order economic life, particularly organizations, networks, and markets. Strategic management, on the other hand, generally seeks to explore the antecedents of firm performance. In this course, we will explore common social mechanisms that organization theory has identified and link those to firm performance.

In addition to covering important works in organization theory, this course will also introduce you to some of the theoretical tools needed to conduct your own research on organizations. This entails the ability to situate contemporary research in ongoing academic conversations about organizations and the key concepts that those conversations are based on. It also involves learning how to form your own opinion about research, judge its quality, shortcomings, and contributions to scholarship and practice.

The structure of the course is such that every week we will cover a different topic in organization theory. Although the readings assigned for each of these topics are core to those topics, they are by no means exhaustive. The further reading list helps point you in the direction of other important works in those areas.

Although unlikely, there may be slight changes in the readings and/or schedule during the course. If this happens, I will always give you at least 2 weeks' notice.

Course requirements

1. *Weekly memo* (15% of your grade)

Before each class, please submit to me, by email, no later than 5 pm the day before the class, a brief (no more than **one page** single spaced) memo about the week's readings. This memo

should discuss each of the readings. This discussion should provide, for each paper, the following:

- (a) A brief summary of the research question or problem the paper explores
- (b) A brief summary of the paper's main argument
- (c) What you felt was a shortcoming in the paper's theory

You may skip 1 week without penalty.

No memo due during the first week or the last week.

2. *Class participation* (25% of your grade)

This is a discussion-based course. Therefore, it is essential to come to class prepared to participate, ask questions, offer insights, and critique the papers assigned for that class. Without a comprehensive discussion of the papers, it's difficult to arrive at a complete understanding of them. To that end, keep in mind that this is a safe space. It's perfectly ok to occasionally make mistakes, to misremember something, or to have misunderstood something, as long as you participate. Hashing out difficult concepts through discussions is what we're going for. Of course, for our class to remain a safe space for academic discussions it's important that you show respect to your fellow classmates. Here are some great guiding questions that were put together by Professors Kaplan and Bowers and that you should keep in mind when reading the papers:

- what is the basic argument and what relationships/mechanisms does the argument propose?
- what are its strengths and weaknesses? if you disagree with the argument, what would it take to convince you?
- under what circumstances and for what kinds of organizations is the argument meant to apply?
- what are the similarities and differences between this argument and others put forward by readings in the same and in previous weeks?
- why was this paper published?
- how did it challenge or extend theory?
- what, if any, alternative explanations could account for the findings presented?

3. *Leading course sessions* (10% of your grade)

Each student will be responsible for leading at least one session during the semester. As discussion leader, you are responsible for setting the agenda of what we talk about in class. When you are leading the discussion it can be helpful to begin by (very) briefly summarizing the week's papers and drawing connections between them. During this introduction you can also make connections to readings beyond the course as well if you want to. To successfully lead a course session, you must: 1) provide a quick introduction to the readings; 2) have prepared 5-10 discussion-provoking questions for your classmates; and 3) lead an engaged and critical discussion around those readings.

Please send me your discussion questions 24 hours ahead of the class you will be leading.

4. ***Final paper*** (50% of your grade)

You will write a 10-15 page research paper that includes introduction, theory and hypotheses (basically, the front end of an empirical research paper). The paper can be on any topic you find interesting, but should relate to organization theory in some way. It should not be a paper you have used in another class or prior experience. It CAN be in a setting you have used in another class or have data on. But it must be new. In essence, it should consist of the front end of a research paper including: a well-motivated and clearly stated research question, a theoretical framework and set of predictions for investigating that question, and a realistic and suitable research design and (if applicable) an appropriate sampling and modeling approach. You do not have to have a specific data source, but some idea of a setting where your ideas could be tested is important. To help you in writing the paper, please note the following internal deadlines:

1. No later than Class 8 (November 1st), meet with me to discuss possible topics (topics can be from areas we haven't covered yet in class)
2. No later than Week 11 (November 22nd), a 2-page outline is due
3. On Week 12, you will present, conference style, your research idea to your fellow students for feedback that you can incorporate into your final paper.
4. The final paper is due December 15th

Schedule and readings

Class 1 (Sept. 13th): Introduction

Required Readings:	
1.	Haveman, H.A. and Wetts, R., 2019. Organizational theory: From classical sociology to the 1970s. <i>Sociology Compass</i> , 13(3), p.12627.
2.	Carroll, Glenn R. 1993. "A sociological perspective on why firms differ." <i>Strategic Management Journal</i> 14: 237-250.
3.	Rumelt, R., D. Schendel and D. Teece. 1991. Strategic management and economics. <i>Strategic Management Journal</i> 12: 5-29
4.	Davis, G.F., 2006. Mechanisms and the theory of organizations. <i>Journal of Management Inquiry</i> , 15(2), pp.114-118.
5.	Porter, Michael E. 1996. What is strategy? <i>Harvard Business Review</i> , pp. 61-78.

Class 2 (Sept. 20th): Organizational populations and niches

Required Readings:	
1.	Hannan, M.T. and Freeman, J., 1977. The population ecology of organizations. <i>American Journal of Sociology</i> , 82(5), pp.929-964.
2.	Freeman, J., Carroll, G.R. and Hannan, M.T., 1983. The liability of newness: Age dependence in organizational death rates. <i>American Sociological Review</i> , pp.692-710.
3.	Carroll, Glenn R. 1985. Concentration and specialization: Dynamics of niche width in populations of organizations. <i>American Journal of Sociology</i> , 90: 1262-1283.
4.	Carroll, G.R. and Hannan, M.T., 1989. Density dependence in the evolution of populations of newspaper organizations. <i>American Sociological Review</i> , pp.524-541.

Class 3 (Sept. 27): Rational Myths and Legitimacy

Required Readings:	
1.	Meyer, John W. and Brian Rowan. 1977. "Institutionalized organizations: formal structure as myth and ceremony." <i>American Journal of Sociology</i> 83: 340-363.
2.	DiMaggio, Paul J. and Walter W. Powell. 1983. "The iron cage revisited: institutional isomorphism and collective rationality in organizational fields." <i>American Sociological Review</i> 48: 147-160.
3.	Davis, Gerald F., Kristina A. Diekmann, and Catherine H. Tinsley. "The decline and fall of the conglomerate firm in the 1980s: The deinstitutionalization of an organizational form." <i>American Sociological Review</i> (1994): 547-570.
4.	Dobbin, F., Sutton, J.R., Meyer, J.W. and Scott, R., 1993. Equal opportunity law and the construction of internal labor markets. <i>American Journal of Sociology</i> , 99(2), pp.396-427.

Class 4 (Oct. 4): Resource Dependence and Power

Required Readings:	
1.	Pfeffer, J. and G.R. Salancik (1978). <i>The External Control of Organizations</i> , Ch. 1, 3 and 5.
2.	Casciaro, T. and Piskorski, M.J., 2005. Power imbalance, mutual dependence, and constraint absorption: A closer look at resource dependence theory. <i>Administrative science quarterly</i> , 50(2), pp.167-199.
3.	Gulati, R. and Sytch, M., 2007. Dependence asymmetry and joint dependence in interorganizational relationships: Effects of embeddedness on a manufacturer's performance in procurement relationships. <i>Administrative science quarterly</i> , 52(1), pp.32-69.

Class 5 (Oct. 11): Relationships as a source of advantage

Required Readings:	
1.	Uzzi, B., 1997. Social structure and competition in interfirm networks: The paradox of embeddedness. <i>Administrative Science Quarterly</i> , 42(1), p.35.
2.	Khanna, T. and Rivkin, J.W., 2001. Estimating the performance effects of business groups in emerging markets. <i>Strategic Management Journal</i> , 22(1), pp.45-74.
3.	Baum, Joel AC, Tony Calabrese, and Brian S. Silverman. "Don't go it alone: Alliance network composition and startups' performance in Canadian biotechnology." <i>Strategic Management Journal</i> 21, no. 3 (2000): 267-294.
4.	Ingram, Paul, and Peter W. Roberts. "Friendships among competitors in the Sydney hotel industry." <i>American Journal of Sociology</i> 106, no. 2 (2000): 387-423.

Class 6 (Oct 18): Managerial cognition: Decision making and attention

Required Readings:	
1.	Cyert, R.M., and March, J.G. 1963. A behavioral theory of the firm. Chapter 6: A summary of basic concepts in the behavioral theory of the firm, p114-127
2.	Cohen, M.D., March, J.G., and Olsen, J.P. 1972. "A garbage can model of organizational choice." <i>Administrative Science Quarterly</i> , 17: 1-25.
3.	Ocasio, W., 1997. Towards an attention-based view of the firm. <i>Strategic Management Journal</i> , 18(S1), pp.187-206.
4.	Tripsas, M. and Gavetti, G., 2000. Capabilities, cognition, and inertia: Evidence from digital imaging. <i>Strategic Management Journal</i> , 21(10-11), pp.1147-1147.

Class 7 (Oct 25): Learning

Required Readings:	
1.	Levinthal, Daniel A. and James G. March. 1993. The myopia of learning. <i>Strategic Management Journal</i> 14: 95-112.
2.	Hansen, Morten T. 1999. The search-transfer problem: The role of weak ties in sharing knowledge across organization subunits. <i>Administrative Science Quarterly</i> 44:82-111.
3.	Powell, Walter W., Kenneth W. Koput and Laurel Smith-Doerr. 1996. Interorganizational collaboration and the locus of innovation: Networks of learning in biotechnology <i>Administrative Science Quarterly</i> 41:116-145.
4.	Cohen, W. and D. Levinthal. 1990. Absorptive Capacity: A New Perspective on Learning and Innovation. <i>Administrative Science Quarterly</i> 35(1): 128-152

Class 8 (Nov 1): Organizational Change and Adaptation

Required Readings:	
1.	Greve, Henrich, R. 1998. Performance aspirations and risky organizational change. <i>Administrative Science Quarterly</i> 43: 58-86.
2.	Haveman, H.A., 1992. Between a rock and a hard place: Organizational change and performance under conditions of fundamental environmental transformation. <i>Administrative Science Quarterly</i> , pp.48-75.
3.	Amburgey, T.L., Kelly, D. and Barnett, W.P., 1993. Resetting the clock: The dynamics of organizational change. <i>Administrative Science Quarterly</i> , 38(1), p.51.
4.	Battilana, J., & Casciaro, T. (2013). Overcoming resistance to organizational change: Strong ties and affective cooptation. <i>Management Science</i> , 59(4), 819-836.

Class 9 (Nov 8): Categories and boundary spanning

Required Readings:	
1.	Zuckerman, E. W. (1999). "The categorical imperative: Securities analysts and the illegitimacy discount." <i>American Journal of Sociology</i> , 104(5), 1398-1438.
2.	Ruef, M. and Patterson, K., 2009. "Credit and classification: The impact of industry boundaries in nineteenth-century America." <i>Administrative Science Quarterly</i> , 54(3), pp.486-520.
3.	Smith, E.B., 2011. Identities as lenses: How organizational identity affects audiences' evaluation of organizational performance. <i>Administrative Science Quarterly</i> , 56(1), pp.61-94.
4.	Kennedy, M.T., 2008. Getting counted: Markets, media, and reality. <i>American sociological review</i> , 73(2), pp.270-295.

Class 10 (Nov 15): Social status

Required Readings:	
1.	Bowers, A. and Prato, M., 2018. The structural origins of unearned status: How arbitrary changes in categories affect status position and market impact. <i>Administrative Science Quarterly</i> , 63(3), pp.668-699.
2.	Benjamin, B.A. and Podolny, J.M., 1999. Status, quality, and social order in the California wine industry. <i>Administrative science quarterly</i> , 44(3), pp.563-589.
3.	Roberts, P.W. and Dowling, G.R., 2002. Corporate reputation and sustained superior financial performance. <i>Strategic management journal</i> , 23(12), pp.1077-1093.

Class 11 (Nov 22): Social Movements

Required Readings:	
1.	Dorobantu, Sinziana, Witold J. Henisz, and Lite Nartey. "Not all sparks light a fire: Stakeholder and shareholder reactions to critical events in contested markets." <i>Administrative Science Quarterly</i> 62, no. 3 (2017): 561-597.
2.	Ingram, Paul, Lori Qingyuan Yue, and Hayagreeva Rao. "Trouble in store: Probes, protests, and store openings by Wal-Mart, 1998–2007." <i>American Journal of Sociology</i> 116.1 (2010): 53-92.
3.	Weber, K., Rao, H., & Thomas, L. G. (2009). From streets to suites: How the anti-biotech movement affected German pharmaceutical firms. <i>American Sociological Review</i> , 74(1), 106-127.
4.	Briscoe, F. and Safford, S. 2008. "The Nixon-in China effect: Activism, imitation and the institutionalization of contentious practices." <i>Administrative Science Quarterly</i> , 53: 460-491.

Class 12 (Nov 29): Student Presentations