



Joseph L. Rotman School of Management
University of Toronto

MGT 3002: Strategy and Organization
Prof. Olav Sorenson

RSM 570: Fridays, 9 a.m. to 11:30 a.m.

Course overview

This course provides a Ph.D.-level introduction to research on organizational and economic sociology relevant to strategic management. It aims to fulfill two objectives. First, it seeks to provide students with an understanding of some of the main perspectives used in current research on organizations. The course does not attempt, however, to cover every facet of the literature – a broad field – or to provide a complete intellectual history of the subject. Instead, it will give students the analytical tools needed to pursue these topics on their own. Second, it aspires to teach students how to organize a literature and to develop research questions. Although graduate courses often focus on critiquing others research, the academic profession requires proficiency in consuming and building new theory. Though developed from a strategy perspective, the readings will likely interest students of organizational economics, public policy, political science, sociology and other related disciplines.

Assessment

This course consists of five components: discussion and four kinds of assignments: logical decompositions, research ideas, a career history and a literature analysis.

Component	Weight
Class participation	30%
Logical decompositions	25%
Research ideas	10%
Career history	15%
Literature analysis	20%

Discussion: Each week, we will discuss three papers. Typically, the trio includes one “classic” of organization theory, one modern application of the perspective, and one very recent empirical piece building on the same intellectual framework. This light reading load presumes that students will read carefully and think about each paper prior to class. Since every student will have read every paper prior to class, discussions

will focus on understanding the papers and on thinking about potential research areas that the paper appears to open.

Logical decompositions: Good papers have clear logical structures, even if they state them in natural languages rather than in symbols. In these exercises, you should identify the assumptions, lemmas and propositions in a paper, delineating the chain of argumentation necessary to generate the propositions or hypotheses. Note any unnecessary assumptions and any unstated (implicit) assumptions. Choose one article for at least five of the sessions.

Research ideas: I also want you to get in the habit of keeping a journal of research ideas. Every week, you should come up with at least one idea for a paper topic. What sort of data would you need? How would you test it?

Career history: For **February 13**, you should write an intellectual biography of one of the authors of the papers in the course. Who did they (probably) study with and interact with, what perspectives seemed influential in their early thinking. How did their research evolve?

Literature analysis: For **March 6**, every time one writes a paper, it is important to have a good understanding of the existing literature on the topic. Pick some phenomenon. Find the articles that have studied the phenomenon. Categorize those articles into sets. Explain the key differences across the sets and the similarities with the sets.

Instructor

Feel free to contact me by e-mail: olav.sorenson@rotman.utoronto.ca. I also hold office hours every Thursday afternoon (3:30 p.m. to 5:30 p.m.). If you do not wish to wait, please sign up for an available time slot by noon on Thursday. The sign up sheet is posted on the board next to my office (RSM 578).

Schedule

1. JANUARY 9: COURSE INTRODUCTION

- Scott, W. Richard, and Gerald F. Davis (2007). *Organizations and Organizing: Rational, Natural, and Open Systems*. Upper Saddle River, NJ: Pearson Education (Chapters 2-4)

2. JANUARY 16: ECOLOGICAL MODELS OF COMPETITION

- **Required:** Hannan, Michael T., and John Freeman (1977). “The population ecology of organizations,” *American Journal of Sociology*, 82: 929-964
- **Required:** Baum, Joel A. C., and Jitendra V. Singh (1994). “Organizational niches and the dynamics of organizational mortality,” *American Journal of Sociology*, 100: 346-380
- **Required:** Sørensen, Jesper B., and Olav Sorenson (2007). “Corporate demography and income inequality,” *American Sociological Review*, 72: 766-783
- Hannan, Michael T., and John Freeman (1989). *Organizational Ecology*. Cambridge, MA: Harvard University Press
- Carroll, Glenn R., and Michael T. Hannan (2000). *The Demography of Corporations and Industries*. Princeton, NJ: Princeton University Press

3. JANUARY 23: IDENTITY-BASED MODELS OF COMPETITION

- **Required:** Meyer, John W., and Brian Rowan (1977). “Institutionalized organizations: Formal structure as myth and ceremony,” *American Journal of Sociology*, 83: 340-363
- **Required:** Zuckerman, Ezra W. (1999). “The categorical imperative: Securities analysts and the illegitimacy discount,” *American Journal of Sociology*, 104: 1398-1438
- **Required:** Hsu, Greta, Michael T. Hannan and Özgecan Koçak (2009). “Multiple category memberships in markets: A formal theory and two empirical tests,” *American Sociological Review*, 74: forthcoming
- DiMaggio, Paul J., and Walter W. Powell (1983). “The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields,” *American Sociological Review*, 48: 147-160
- Hannan, Michael T., László Pólos, and Glenn R. Carroll (2007). *Logics of Organization Theory: Audiences, Codes, and Ecologies*. Princeton, NJ: Princeton University Press

4. JANUARY 30: EXCHANGE RELATIONS

- **Required:** Emerson, Richard M. (1962). "Power dependence relations," *American Sociological Review*, 27: 31-41
- **Required:** Uzzi, Brian (1996). "The sources and consequences of embeddedness for the economic performance of organizations: The network effect," *American Sociological Review*, 61: 674-698
- **Required:** Sorenson, Olav, and David M. Waguespack (2006). "Social structure and exchange: Self-confirming dynamics in Hollywood," *Administrative Science Quarterly*, 51: 560-589
- Blau, Peter M. (1964). *Exchange and Power in Social Life*. New York: Wiley
- Pfeffer, Jeffrey, and Gerald R. Salancik (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper & Row

5. FEBRUARY 6: NO MEETING

6. FEBRUARY 13: RELATIONAL MODELS OF COMPETITION

- **Required:** Simmel, Georg (1950). "The triad," Pp. 145-169 in *The Sociology of Georg Simmel*. Glencoe, IL: Free Press
- **Required:** Burt, Ronald S. (1997). "The contingent value of social capital," *Administrative Science Quarterly*, 42: 339-365
- **Required:** Fernandez-Mateo, Isabel (2007). "Who pays the price of brokerage? Transferring constraint through price setting in the staffing sector," *American Sociological Review*, 72: 291-317
- Burt, Ronald S. (1992). *Structural Holes: The Social Structure of Competition*. Cambridge, MA: Harvard University Press
- Jackson, Matthew O. (2008). *Social and Economic Networks*. Princeton, NJ: Princeton University Press

7. FEBRUARY 20: STATUS-BASED MODELS OF COMPETITION

- **Required:** Merton, Robert K. (1968). "The Matthew effect in science," *Science*, 159: 56-63
- **Required:** Podolny, Joel M. (1993). "A status-based model of market competition," *American Journal of Sociology*, 98: 829-872
- **Required:** Gould, Roger V. (2002). "The origins of status hierarchies: A formal theory and empirical test," *American Journal of Sociology*, 107: 1143-1178

- Podolny, Joel M. (2005). *Status Signals: A Sociological Study of Market Competition*. Princeton, NJ: Princeton University Press
- Stuart, Toby E., Ha Hoang and Ralph Hybels (1998). “Interorganizational endorsements and the performance of entrepreneurial ventures.” *Administrative Science Quarterly*, 44: 315-349
- White, Harrison C. (2002). *Markets from Networks: Socioeconomic Models of Production*. Princeton, NJ: Princeton University Press

8. FEBRUARY 27: NO MEETING

9. MARCH 6: STRATEGIC CHANGE AND IMPRINTING

- **Required:** Stinchcombe, Arthur L. (1965). “Social structure and organizations,” Pp. 142-193 in James G. March (ed.) *Handbook of Organizations*. Chicago: Rand McNally (focus on pp. 153-169)
- **Required:** Baron, James N., Michael T. Hannan, and M. Diane Burton (2001). “Labor pains: Change in organizational models and employee turnover in young, high-tech firms,” *American Journal of Sociology*, 106: 960-1012
- **Required:** Burton, M. Diane, and Christine M. Beckman (2007). “Leaving a legacy: Position imprints and successor turnover in young firms” *American Sociological Review*, 72: 239-266
- Hannan, Michael T., and John Freeman (1983). “Structural inertia and organizational change,” *American Sociological Review*, 49, 149-164

10. MARCH 13: STRATEGIC CHANGE AND LEARNING I

- **Required:** Argote, Linda, and Dennis Epple (1990). “Learning curves in manufacturing,” *Science*, 247: 920-924
- **Required:** Thompson, Peter (2001). “How much did the Liberty ship-builders learn? New evidence for an old case study” *Journal of Political Economy*, 109: 103-137
- **Required:** Sorenson, Olav (2003). “Interdependence and adaptability: Organizational learning and the long-term effect of integration,” *Management Science*, 49: 446-463
- Argote, Linda (1999). *Organizational Learning: Creating, Retaining and Transferring Knowledge*. Boston: Kluwer Academic Publishers
- Thompson, Peter (2009) “Learning by doing,” Forthcoming in Bronwyn Hall and Nathan Rosenberg (eds.) *Handbook of Economics of Technical Change*.

11. MARCH 20: STRATEGIC CHANGE AND LEARNING II

- **Required:** March, James G. (1991). "Exploration and exploitation in organizational learning," *Organization Science*, 2: 71-87
- **Required:** Fleming, Lee (2001). "Recombinant uncertainty in technological search" *Management Science*, 47: 117-132
- **Required:** Taylor, Alva, and Henrich Greve (2006). "Superman or the Fantastic Four? Knowledge combination and experience in innovation teams," *Academy of Management Journal*, 49: 723-740
- March, James G. (1988). *Decisions and Organizations*. Oxford: Basil Blackwell

12. MARCH 27: STRATEGIC CHANGE AND CONTAGION

- **Required:** Coleman, James S., Elihu Katz and Herbert Menzel (1957). "The diffusion of an innovation among physicians," *Sociometry*, 20: 253-270
- **Required:** Burt, Ronald S. (1987). "Social contagion and innovations: Cohesion versus structural equivalence," *American Journal of Sociology*, 92: 1287-1335
- **Required:** Stuart, Toby E., and Waverly Ding (2006). "When do scientists become entrepreneurs? The social structural antecedents of commercial activity in the academic life sciences," *American Journal of Sociology*, 112: 97-144
- Katz, Elihu, and Paul F. Lazarsfeld (1955). *Personal Influence*. Glencoe, IL: Free Press
- Rogers, Everett M. (1995). *Diffusion of Innovations*, 4th edition. New York: Free Press

13. APRIL 3: LOOKING FORWARD