

# MGT 7820: Seminar in Organization Theory

Fall 2010, Tuesdays, 3:00 p.m.-5:30 p.m., SFEBB, Rm. 5122

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## Course Description

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Organizational theory comprises research programs, theories and frameworks that aim to understand the forces that shape the structures of organizations and markets over time.

The purpose of this course is to introduce students to the foundation research areas of contemporary organization theory: networks, institutions, ecology, and learning. Our goal will be to not only understand the core arguments of each theory but also to trace the development of each theory over time—how it has evolved as a result of the contributions of scholars in the field. Our focus will be mostly on the current state of the art in the discipline, evaluating past developments and considering future directions.

We will be concerned with three main tasks in this course: (1) understanding and evaluating each theoretical model/segment and the empirical support for (and against) it; (2) examining the compatibility of different models and evaluating whether their predictions can be integrated into a coherent research framework; and (3) seeking and advancing propositions about how existing theoretical models can be developed further and integrated with other perspectives from management, organizational behavior, and economics.

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## Course Requirements

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Your grade will be based on *class participation* (40%), a *final paper* (50%), and a peer review (10%).

### Required Advanced Reading

Prior to start of class, read:

Scott, W. Richard. 1998. *Organizations: Rational, Natural, and Open Systems*, 4th edition. Upper Saddle River, New Jersey: Prentice-Hall.

## Class Participation

While the primary purpose of the course is to teach you the fundamentals of organization theory, an important secondary objective is to develop your skills to critically evaluate research papers in the discipline. Doing so is the best way to learn how to design and structure your own research projects as well as to learn how to develop theory and present it in the format of empirical research papers. For this reason, this course has a seminar format and requires your active class participation.

The material for the course is based almost entirely on empirical research papers. We will discuss four papers in each session and I expect you to be able to participate in a focused, in-depth discussion of all of the assigned papers. You should assign among yourselves in advance the articles you each would like to discuss. In each session, you will be responsible for leading the class discussion on the assigned article. You will also be required to submit by email to everyone in class (including myself) a brief (about one page) summary of that article no later than 5 pm on the day prior to each class day.

It is imperative that for each session you are well prepared to discuss the four research papers assigned for that day. In preparing the articles, it is very helpful to keep the following sets of questions in mind:

### 1. Introduction

What is the main research question in this study? Why is it interesting?  
How does it relate to existing evidence on the topic? What's new?

### 2. Theory

What are the main concepts and terms the author relies on? Are they clear and well defined? Are the theoretical propositions constructed using the specified concepts and terms? Why are the theoretical propositions interesting?  
Are they generalizable and falsifiable? What social mechanisms do they uncover? What alternative explanations might there be that are not considered?  
Are the theoretical propositions organized in relation to each other? Do they hang together as a theory? Does the theory answer the main research question of the paper?

### 3. Empirics

Are the links between the theoretical propositions and the empirical hypotheses precise and clear? Are the empirical variables adequate translations of the concepts and terms used in the theory? Does the proposed methodology make sense, given the theory? Is the data sample adequate and appropriate? Does the proposed research design make the most use of the data available?

#### 4. Discussion / Conclusions

Do the results support the theory? What are the next steps in developing the theory further? What are the scope conditions for the theory? What are the weaknesses of the research design and how can the design be improved in a future study?

#### Final Paper

The final paper you will write in this course should be the front end of a publishable paper related to organization theory. You will need to come up with an interesting and relevant research question and provide justification for why it is worthwhile to study what you have proposed. Such justification should be grounded in a brief review of the relevant literature. You will then develop theoretical propositions about your ideas and substantiate them with an extensive review of earlier research on the topic from all relevant literatures. The last part of the paper should outline your research design: the data, the measurement, the variables, the model and the expected outcome of the proposed empirical analyses.

The paper should be at least 12 and no more than 20 double-spaced pages long using 12-point *times* font (excluding any title pages, abstracts, graphs/tables and references). You will have the opportunity to present your paper in class in Session 12 on November 13th. You will need to email a 3-page paper summary to me and your reviewer (see below) prior to class. The final paper is due by 5 pm on December 4th by email.

#### Peer Review

Much of the work of an academic involves evaluating others' work. The peer review requirement is meant to help you learn to constructively critique and seek to improve the research of your peers. Each student will serve as a discussant on another student's paper and write a 3 page evaluation with the following format:

1. your understanding of what the paper is about (i.e., key intended contribution)
2. evaluation of the framing / positioning of the key ideas (i.e., how they relate to the current state of the art)
3. evaluation of the proposed data and methods
4. the fit of the framing and theory with the empirics.

The peer reviews need to be emailed to me and to the author prior to class on November 20th (Session 13). The reviewers will present their evaluations in that session followed by authors' response and a class discussion.

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## Course Schedule

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### Session 1. The 1970s: Origins of Modern Organization Theory August 21st

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#### Networks:

Granovetter, M. 1973. "The Strength of Weak Ties." *American Journal of Sociology*, 78: 1360-1380

#### Ecology:

Hannan, M.T. and J. Freeman. 1977. "The Population Ecology of Organizations." *American Journal of Sociology*, 82: 929-964.

#### Learning:

Cohen, M., J. March, and J. Olsen. 1972. "A Garbage Can Model of Organizational Choice." *Administrative Science Quarterly*, 17: 1-25.

#### Institutions:

Meyer, J. W., and B. Rowan. 1977. "Institutionalized Organizations: Formal Structure as Myth and Ceremony." *American Journal of Sociology*, 83: 340-363.

### Session 2. The 1980s: Milestones of Modern Organization Theory August 28th

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#### Networks:

Granovetter, M. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology*, 91: 481-510

#### Ecology:

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

#### Learning:

Levitt, Barbara and James March. 1988. "Organizational Learning." *Annual Review of Sociology*, 14: 319-338.

#### Institutions:

DiMaggio, P. J., and W. W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." *American Sociological Review*, 48: 147-160.

### **Session 3. Density-Dependent Legitimation and Competition September 4th**

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Hannan, M., G. Carroll, E. Dundon, and J. Torres. 1995. "Organizational Evolution in a Multinational Context: Entries of Automobile Manufacturers in Belgium, Britain, France, Germany, and Italy." *American Sociological Review*, 60: 509-528.

Baum, J. and W. Powell. 1995. "Cultivating an Institutional Ecology of Organizations: Comment on Hannan, Carroll, Dundon, and Torres." *American Sociological Review*, 60: 529-538.

Hannan, M., and G. Carroll. 1995. "Theory Building and Cheap Talk About Legitimation: Reply to Baum and Powell." *American Sociological Review*, 60: 539-544.

Dobrev, Stanislav D., Salih Z. Ozdemir and Albert Teo. 2006. "The Ecological Interdependence of Emergent and Established Organizational Populations: Legitimacy Transfer, Violation by Comparison, and Unstable Identities" *Organization Science* 2006: 577-97.

Dobrev, Stanislav D. and Aleksios Gotsopoulos. 2010. "Legitimacy Vacuum, Structural Imprinting, and the First-Mover Disadvantage" *Academy of Management Journal* 53: 1153-1174.

John M. de Figueiredo, Brian S. Silverman. 2012. "Firm Survival and Industry Evolution in Vertically Related Populations" *Management Science*, in print.

### **Session 4. Individual Meetings I Circa September 11th**

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Each student will schedule a meeting with professor to discuss final paper ideas

### **Session 5. Identities, Categories and Boundary-spanning September 18th**

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Padgett, J. F. and C. K. Ansell. 1993. "Robust action and the rise of the Medici, 1400-1434." *American Journal of Sociology* 98: 1259-1319.

Zuckerman, Ezra W. 1999. "The Categorical Imperative: Securities Analysts and the Illegitimacy Discount" *American Journal of Sociology* 104:1398-1438.

Rao, Hayagreeva. Philippe Monin and Rodolphe Durand. 2003. "Institutional Change in Toque Ville: Nouvelle Cuisine as an Identity Movement in French Gastronomy" *American Journal of Sociology*:108: 795–843.

Hsu, Greta, Michael T. Hannan, and Ozgecan Kocak. 2009. "Multiple category memberships in markets: An integrated theory and two empirical tests." *American Sociological Review*. 74: 150-169.

### **Session 6 Organizational Niches and Market Partitioning September 25th**

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Podolny, Joel, Toby Stuart, and Michael T. Hannan. 1996. "Networks, knowledge and niches: Competition in the world semiconductor industry 1984-1991." *American Journal of Sociology* 102: 659-689.

Carroll, Glenn R., and Anand. Swaminathan 2000 "Why the microbrewery movement? Organizational dynamics of resource partitioning in the American brewing industry." *Journal of Sociology*, 106: 715-62.

Dobrev, Stanislav D., Tai-Young Kim, and Michael T. Hannan. 2001. "Dynamics of niche width and resource partitioning." *American Journal of Sociology* 106: 1299-1337.

Negro, Giacomo, Michael T. Hannan, and Hayagreeva Rao. 2010. "Categorical contrast and appeal: Niche width and critical success in winemaking." *Industrial and Corporate Change* 19: 1397-1425.

### **Session 7. Innovation and Entrepreneurship October 2nd**

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Stuart, Toby E., Ha Hoang, Ralph C. Hybels. 1999. "Interorganizational Endorsements and the Performance of Entrepreneurial Ventures" *Administrative Science Quarterly* 44: 315-349.

Sorensen, Jesper B. and Toby E. Stuart. 2000. "Aging, obsolescence, and organizational innovation" *Administrative Science Quarterly* 45: 81-112.

Scott Shane and Toby Stuart. 2002. "Organizational Endowments and the Performance of University Start-Ups" *Management Science* 48: 154-170

Dobrev, Stanislav D. and William P. Barnett. 2005. "Organizational Roles and Transitions to Entrepreneurship" *Academy of Management Journal* 48:433-449.

**Session 8. Organizations in Markets: Status, Learning and Imitation.**  
**October 16th**

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Podolny, J. 1993. "A Status-Based Model of Market Competition." *American Journal of Sociology* 98: 829-872.

Barnett, William P. and Morton Hansen. 1996. "The Red Queen in Organizational Evolution" *Strategic Management Journal* 17: 139-58.

Baum, Joel A. C. and Paul Ingram. 1998. "Survival-Enhancing Learning in the Manhattan Hotel Industry, 1898-1980." *Management Science* 44: 996-1016.

Dobrev, Stanislav D. 2007. "Competing in the Looking-Glass Market: Imitation, Resources, and Crowding" *Strategic Management Journal* 28: 1267-89.

**Session 9. Labor Markets and Career Mobility**  
**October 23rd**

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Podolny, Joel M. and James N. Baron 1997. "Resources and Relationships: Social Networks and Mobility in the Workplace" *American Sociological Review* 62: 673-693.

Zuckerman, Ezra W., Tai-Young Kim, Kalinda Ukanwa, James von Rittman. 2003. "Robust Identities or Nonentities? Typecasting in the Feature-Film Labor Market." *American Journal of Sociology*, 108: 1018-74.

Burt, Ronald S. 2004. "Structural Holes and Good Ideas" *American Journal of Sociology* 110: 349-99.

Olav Sorenson and Jesper Sorensen 2007. "Corporate Demography and Income Inequality" *American Sociological Review*, 7: 766-783.

**Session 10. Individual Meetings II**  
**Circa October 30th**

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Each student will schedule a meeting with professor to discuss progress on final paper

**Session 11. Organizational Change, Inertia and Imprinting**  
**November 6th**

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Greve, Henrich R. 1998. "Performance, Aspirations, and Risky Organizational Change" *Administrative Science Quarterly* 43: 58-86.

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.

Sørensen, Jesper B. 2002. "The Strength of Corporate Culture and the Reliability of Firm Performance" *Administrative Science Quarterly* 47: 70-91.

Phillips, Damon J. 2002. "A Genealogical Approach to Organizational Life Chances: The Parent-Progeny Transfer among Silicon Valley Law Firms, 1946-1996" *Administrative Science Quarterly* 47: 474-506.

**Session 12. Paper Presentations**  
**November 13th**

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3-page paper summary due

**Session 13. Peer Review Presentations**  
**November 20th**

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3-page peer review due

**DECEMBER 4: FINAL PAPERS DUE**