

**Management 607**  
**Seminar on Networks and Institutions**

**Course Information**

*Class Meetings*

Wednesdays, 3:00 – 5:50pm  
McKenzie Hall 345

*Professor*

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Office hours: Tuesdays 1:30-3:00pm, and by appointment

**Goals of the Course**

As the title suggests, this PhD seminar is designed to introduce students to the study of organizations through the lens of networks and institutions. Network analysis is a form of structural analysis in the social sciences. It is based, therefore, on the assertion that the pattern of relations amongst individuals and organizations is responsible, at least in part, for the actions of these individuals and organizations. Institutional theory has enjoyed a powerful resurgence and is currently *the* dominant theoretical perspective (according to bibliometric analyses) for the study of organizations. Institutional theory is also a core component of economic sociology, which emphasizes the importance of social relations in shaping economic behaviors. Much of the most exciting work in organizational theory is taking place at the intersection of networks and institutions.

The purpose of the course is to provide students with a thorough grounding in the “classic” social science literature on these topics. The readings are organized to provide an introduction to fundamental concepts, followed by an elaboration and extension on these concepts. Over the course of the quarter, we’ll cover a number of topics, including embeddedness, institutional diffusion, institutional change, historical contingency, and network dynamics. Please note, however, that this is not a course on methods; in particular, while the final class provides an overview of select research methods, this course will not cover the logistics of collecting and manipulating network data. Also note that the course presumes no previous specialized background in organization theory.

## Course Requirements

Students will share the responsibility for discussing materials and for raising questions. Students will be expected to do all of the required reading and to be prepared to discuss the materials in class on the schedule indicated in the syllabus. Final grades are based on four requirements:

- 1) *Class participation.* We have the advantage of a small class, which facilitates some unique pedagogical opportunities. As such, we'll make use of debates, "field trips," panels, and role plays as we engage with various articles, authors, and schools of thought. The success of this approach depends on each student's preparation and full participation. As such, I expect all students to arrive at class having thoroughly engaged with the readings, prepared the day's "activity," and primed a number of questions, topics, and issues to be raised for discussion. Twenty-five percent of the course grade is based on class participation.
- 2) *Weekly memos.* All students are asked to prepare brief memos (1-2 pages) relating to the reading for each week. The purpose of the memos is to help you grapple with the readings and respond with questions, criticisms, and new ideas. Formats may vary, but it is useful to include:
  - a. Ideas, concepts, and arguments that you found stimulating, worth remembering and building on. In other words, what prompted an "a-ha"?
  - b. Questions, concerns, and disagreements with ideas encountered.
  - c. Connections, linkages, and contradictions between one idea or approach and another. Specify how you would take this work and build on it.

Memos are due by 9am on the day of class. Send them to me via email. Twenty-five percent of the course grade will be based on weekly memos.

- 3) *Article review.* All students will write a "review" of an article that I will hand out during the quarter. I will provide specific guidelines on the review process and areas on which to focus. The review constitutes twenty percent of the course grade.
- 4) *Research proposal.* All students will write a ten- to fifteen-page paper applying one of the lines of research to a specific empirical case. This research proposal should read like the detailed "front end" of an empirical paper, reviewing the appropriate literature, identifying a promising and important research gap, and proposing an empirical setting and dataset through which this gap might be addressed. (There is no need to actually collect and analyze data, though I strongly encourage you to write on a topic of interest such that you could leverage this paper into a full research publication.) The paper is due in class during the last session (March 9) and constitutes thirty percent of the course grade.

## Readings

Required readings for each session are listed immediately below the date and title for the session. Readings marked with an (R) are recommended further reading – and I urge you to consult them if you are leading discussing and/or writing a research paper on the topic. Readings marked with a (BG) are background reading; though we will not discuss these readings in class, they are useful references – particularly if you're unfamiliar with the methodology or topic.

While I have not required the following texts, I *strongly* recommend them for all students – and especially those students who intend to include institutional and/or network analyses in their own research:

Greenwood, R., C. Oliver, K. Sahlin, and R. Suddaby (eds.). 2008. *The Sage Handbook of Organizational Institutionalism*. Sage.

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

Scott, W. Richard. 2001. *Institutions and Organizations*, 2<sup>nd</sup> ed. Sage.

Scott, W. Richard, Martin Ruef, Peter Mendel, Carol Caronna. 2000. *Institutional Change and Healthcare Organizations*. University of Chicago Press.

Scott, John. 2000. *Social Network Analysis*, 2<sup>nd</sup> ed. Sage.

Wasserman, Stanley and Katherine Faust. 1994. *Social Network Analysis: Methods and Applications*. Cambridge UP.

## Course Calendar

### Jan 5: Economic and Rational Choice Perspectives on Institutions

(R) Coase, R.H. 1960. "The Problem of Social Cost" *Journal of Law and Economics* 3: 1-44.

(R) Nelson, Richard and Bhaven Sampat. 2001. "Making sense of institutions as a factor shaping economic performance" *Journal of Economic Behavior and Organization* 44: 31-54.

(R) North, Douglass. 1991. "Institutions" *Journal of Economic Perspectives* 5(2): 97-112.

(R) Weingast, Barry. 1996. "Political Institutions: Rational Choice Perspectives" in *A New Handbook of Political Science* Robert Goodin and Hans-Dieter Klingemann, eds. Oxford UP.

(R) Williamson, Oliver. 2000. "The New Institutional Economics: Taking Stock, Looking Ahead" *Journal of Economic Literature* 38: 595-613.

## Jan 12: Networks and Embeddedness

- Granovetter, Mark. 1985. "Economic Action and Social Structure: The Problem of Embeddedness" *American Journal of Sociology* 91: 481-510.
- Greif, A. 1993. "Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition" *The American Economic Review* 83(3): 525-548.
- Powell, Walter W. 1990. "Neither Market Nor Hierarchy: Network Forms of Organization" *Research in Organizational Behavior* 12: 295-336.
- Uzzi, Brian. 1997. "Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness" *Administrative Science Quarterly* 35-69.
- (R) Granovetter, Mark S. 1977. "The Strength of Weak Ties" *American Journal of Sociology* 78: 1360-1380.
- (R) Burt, Ronald. 1992. *Structural Holes: The Social Structure of Competition*. Harvard UP.

## Jan 19: The New Institutionalism in Sociology

- DiMaggio, Paul and Walter Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields" *American Sociological Review* 48: 147-160.
- Edelman, Lauren, Christopher Higgin, and Howard Erlanger. 1999. "The Endogeniety of Legal Regulation: Grievance Procedures as Rational Myth" *American Journal of Sociology* 105(2): 406-454.
- Meyer, John and Brian Rowan. 1977. "Institutional Organizations: Structure as Myth and Ceremony" *American Journal of Sociology* 83: 340-363.
- Powell, Walter and Paul DiMaggio. 1991. "Introduction" in *The New Institutionalism in Organizational Analysis*, Walter Powell and Paul DiMaggio, eds. Chicago: University of Chicago Press
- (R) Berger, Peter and Thomas Luckmann. 1967. *The Social Construction of Reality* Anchor Books
- (R) Hall, P.H. and R.C.R. Taylor. 1996. "Political Science and the Three New Institutionalisms" *Political Studies* 44:936-957.
- (R) Selznick, Philip. 1996. "Institutionalism 'Old' and 'New'" *Administrative Science Quarterly* 41(2): 270-277.
- (R) Scott, W. Richard. 1997. "The Adolescence of Institutional Theory" *Administrative Science Quarterly* 32: 493-511.
- (R) Hirsch, P.M. and M. Lounsbury. 1997. "Ending the Family Quarrel: Toward A Reconciliation of 'Old' and 'New' Institutionalism" *American Behavioral Scientist* 40: 406-418.

(R) Palmer, Donald A., P. Devereaux Jennings, and Xueguang Zhou. 1993. "Late Adoption of the Multidivisional Form by Large US Corporations: Institutional, Political and Economic Accounts" *Administrative Science Quarterly* 38: 100-131.

### **Jan 26: Institutional Diffusion**

Strang, David and Michael Macy. 2001. "In Search of Excellence" *American Journal of Sociology* 107(1): 147-182.

Strang, David and Sarah Soule. 1998. "Diffusion in Organizations and Social Movements" *Annual Review of Sociology* 24: 265-290.

Tolbert, Pam and Lynne Zucker. 1983. "Institutional Sources of Change in the Formal Structure of Organizations: The Diffusion of Civil Service Reform, 1880-1935." *Administrative Science Quarterly* 30: 22-39.

Westphal, J.D. and Ed Zajac. 1994. "Substance and Symbolism in CEO's Long-term Incentive Plans" *Administrative Science Quarterly* 39: 367-390.

(R) Strang, D.G. and J.W. Meyer. 1993. "Institutional Conditions for Diffusion" *Theory and Society* 22: 487-511.

(R) Schneiberg, Marc and Michael Lounsbury. 2007. "Social Movements and Institutional Analysis" in the *Handbook of Organizational Institutionalism* edited by R. Greenwood, C. Oliver, K. Sahlin and R. Suddaby. London: Sage.

### **Feb 2: Institutional Change**

Clemens, Elisabeth and James Cook. 1999. "Politics and Institutionalism: Explaining Durability and Change" *Annual Review of Sociology* 25: 441-466.

Dacin, M. Tina, J. Goodstein, and W. Richard Scott. 2002. "Institutional Theory and Institutional Change: Introduction to the Special Research Forum" *Academy of Management Journal* 45(1): 45-56.

Greenwood, Royston and C.R. Hinings. 1996. "Understanding Radical Organizational Change: Bringing Together the Old and New Institutionalism" *Academy of Management Review* 21: 1022-54.

Hoffman, Andrew. 1999. "Institutional Evolution and Change: Environmentalism and the U.S. Chemical Industry" *Academy of Management Journal* 42(4): 351-371.

Holm, Petter. 1995. "The Dynamics of Institutionalization: Transformation Processes in Norwegian Fisheries" *Administrative Science Quarterly* 40: 398-422.

- (R) D'auunno, M. Succi and J.A. Alexander. 2000. "The Role of Institutional and Market Forces in Divergent Institutional Change" *Administrative Science Quarterly* 45: 679-703.
- (R) Padgett John, and Paul McLean. 2006. "Organizational Invention and Elite Transformation: The Rise of Partnership Systems in Renaissance Florence" *American Journal of Sociology* 111(%): 1463-1568.
- (R) Suddaby, L. and Royston Greenwood. 2005. "Rhetorical Strategies of Legitimacy" *Administrative Science Quarterly* 50: 35-67.

### **Feb 9: The Historical Contingency of Institutional Change**

- David, Paul. 1994. "Why Are Institutions the 'Carriers of History'? Path Dependence and the Evolution of Conventions, Organizations and Institutions" *Structural Change and Economic Dynamics* 5(2): 205-220.
- Marquis, Christopher. 2003. "The Pressure of the Past: Network Imprinting in Intercorporate Communities." *Administrative Science Quarterly* (December 2003): 655-689.
- Mizruchi, Mark, Linda Brewster Stearns, and Christopher Marquis. 2006. "The Conditional Nature of Embeddedness: A Study of Borrowing by Large US Firms, 1973-1994" *American Sociological Review* 71: 310-333.
- Thornton, Patricia and William Ocasio. 1999. "Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958-1990" *American Journal of Sociology* 105(3), 801-843.
- (R) David, Paul. 1997. "Path Dependence and the Quest for Historical Economics: One More Chorus of the Ballad of QWERTY"
- (R) Schneiberg, Marc. 2007. "What's on the Path? Path Dependence, Organizational Diversity and the Problem of Institutional Chance in the US Economy, 1900-1950" *Socio-Economic Review* 5: 47-80.
- (R) Thelen, Kathleen. 1999. "Historical Institutionalism in Comparative Politics" *Annual Review of Political Science* 2: 369-404.

### **Feb 16: Agency and Institutional Entrepreneurship**

- Barley, Stephen. 1986. "Technology as an Occasion for Structuring: Evidence form Observations of CT Scanners and the Social Order of Radiology Departments" *Administrative Science Quarterly* 31: 78-108.
- Barley, Stephen, and Pam Tolbert. 1997. "Institutionalization and Structuration: Studying the Links between Action and Institution" *Organization Studies* 18(1): 93-117.

- Greenwood, Royston and Roy Suddaby. 2006. "Institutional Entrepreneurship In Mature Fields: The Big Five Accounting Firms" *The Academy of Management Journal* 49(1): 27-48.
- Maguire, S. and C. Hardy. 2002. "Institutional Entrepreneurship in Emerging Fields: HIV/AIDS Treatment Advocacy in Canada" *The Academy of Management Journal* 47(5): 657-679.
- Sewell, W. 1992. "A Theory of Structure: Duality, Agency and Transformation" *American Journal of Sociology* 98: 13-29.
- (R) Barley, Stephen. 1990. "The Alignment of Technology and Structure Through Roles and Networks" *Administrative Science Quarterly* 35: 61-103.
- (R) Beckert, Jens. 1999. "Agency, Entrepreneurs, and Institutional Change: The Role of Strategic Choice and Institutionalized Practices in Organizations" *Organization Studies* 20(5): 777-799.
- (R) Lawrence, T.B., R. Suddaby, and B. Leca. 2009. "Introduction: Theorizing and Studying Institutional Work" in *Institutional Work: Actors and Agency in Institutional Studies of Organizations* T.B. Lawrence, R. Suddaby, and B. Leca, eds. U of Chicago Press.

### **Feb 23: Multiple Logics**

- Lounsbury, Michael. 2007. "A Tale of Two Cities: Competing Logics and Practice Variation in the Professionalization of Mutual Funds" *Academy of Management Journal* 5: 289-307.
- Owen-Smith, Jason. 2003. "From Separate Systems to a Hybrid Order: Accumulative Advantage Across Public and Private Science at Research One Universities" *Research Policy* 32: 1081-1104.
- Padgett, John and Christopher Ansell. 1993. "Robust Action and the Rise of the Medici, 1400-1434" *American Journal of Sociology* 93(6): 1259-1319.
- Rao, Haygareeva, P. Monin, and Rodolphe Durand. 2003. "Institutional Change in Toque Ville: Nouvelle Cuisine as an Identity Movement in French Gastronomy" *American Journal of Sociology* 4: 795-843.
- (R) Gould, Roger B. "Multiple Networks and Mobilization in the Paris Commune" *American Sociological Review* 56: 716-729.
- (R) Colyvas, Jeannette and Walter Powell. 2006. "Roads to Institutionalization: The Remaking of Boundaries Between Public and Private Science" *Research in Organizational Behavior* 25: 305-353.
- (R) Morrill, Calvin. 2002. "Institutional change and interstitial emergence: the growth of alternative dispute resolution in American law, 1965-1995" in *How Institutions Change* W.W. Powell and D.L. Jones, eds. U of Chicago Press.
- (R) Nelson, Andrew. 2005. "Cacophony or Harmony? Multivocal Logics and Technology Licensing by the Stanford University Department of Music" *Industrial and Corporate Change* 14: 93-118.

## **Mar 2: Networks and Institutions Revisited**

- Owen-Smith, Jason, and W.W. Powell. 2004. "Knowledge Networks as Conduits and Channels: The Effects of Spillovers in the Boston Biotechnology Community" *Organization Science* 15(1): 5-21.
- Powell, Walter W., Kenneth Koput, and Laurel Smith-Doerr. 1996. "Interorganizational Collaboration and the Locus of Innovation: Networks of Learning in Biotechnology" *Administrative Science Quarterly* 41(1): 116-145.
- Powell, W.W., D. White, K. Koput, and Jason Owen-Smith. 2005. "Network Dynamics and Field Evolution: The Growth of Inter-Organizational Collaboration in the Life Science" *American Journal of Sociology* 110(4): 1132-1205.
- (BG) Mizruchi, Mark. 1994. "Social Network Analysis: Recent Achievements and Current Controversies." *Acta Sociologica* 37: 329-343.
- (R) Owen-Smith, Jason and W.W. Powell. 2007. "Networks and Institutions" in the *Handbook of Organizational Institutionalism* edited by R. Greenwood, C. Oliver, K. Sahlin and R. Suddaby. London: Sage.
- (R) Westphal, J.D., R. Gulati, and S.M. Shortell. 1997. "Customization or Conformity: An Institutional and Network Perspective on the Content and Consequences of TQM Adoption" *Administrative Science Quarterly* 42: 366-394.
- (R) Whittington, Kjersten, Jason Owen-Smith, and Walter W. Powell. 2009. "Networks, Proximity, and Innovation in Knowledge-intensive Industries" *Administrative Science Quarterly* 54(1): 90-122.

## **Mar 9: Research Methods in Institutional Theory and Network Analysis**

- Barley, Stephen, "Images of Imaging: Notes on Doing Longitudinal Field Work" *Organization Science* 1: 220-247.
- Colyvas, Jeannette. 2007. "From Divergent Meanings to Common Practices: The Early Institutionalization of Technology Transfer at Stanford University" *Research Policy* 36: 456-476.
- Schneiberg, Marc and Elisabeth Clemens. 2006. "The Typical Tools for the Job: Research Strategies in Institutional Analysis" *Sociological Theory* 3: 195-227.
- (R) Ventresca, Marc and John Mohr. 2002. "Archival Methods in Organization Analysis" in J.A.C. Baum (ed.) *Companion to Organizations* Blackwell, pp. 805-828.