Introduction to Organization Theory

This version: 27.06.2013 (July 11 session moved to July 29)

Credits
This syllabus draws heavily on fantastic PhD course syllabi by Joel Baum and Amy Hillman. Moreover, I am including materials from courses I took part in myself, such as by Royston Greenwood.

General information
Instructor: Prof. Dr. Oliver Alexy
Contact: Room 2516 (Building 0505, Luisenstr.), Ext. 25741, o.alexy@tum.de
Course time: Mainly Fridays, 9:30am-12:30pm; see “Preliminary schedule”
Location: Mainly 2403 (Seminar room Prof. Friedl), Z538; see “Preliminary schedule”

Course aims

What this course is
In this course, we want to familiarize students early in their PhD with organization theory—this should be the first course you take on this topic. We will first scrutinize what theory is and how you enter an academic conversation, before we move on to jointly discuss eight “brands” of theory that are currently influential in management research. Of course, this list is not exclusive, and we strongly encourage you to (at least!) use this course as a launch pad to endeavor on more in-depth explorations of those branches of management theory that are most relevant to you. Finally, we look at how contributions to theory can be made today.

While we welcome students from all disciplines of business administration, we will focus largely on those subfields that are represented by the Academy of Management that operate at the level of the firm.

What this course is not
- A paper writing class – while we will include interactive elements and homework to guide you toward exploiting what you will learn in this course, we will not discuss your working papers or R&Rs.
- A listening-only class – as laid out below, most materials will be presented by you. There are lots of studies that show that this is a far better way of learning than us trying to kill you by PowerPoint.

Course objectives

Knowledge Objectives
In this course, we strive to educate you about what theory is, and what makes a good contribution to theory. From this basis, we will look at several mainstream management theories that found the cornerstone of much of today’s debate of management theory at the level of the firm. Understanding what theory is and being able to
navigate different theoretical contexts easily is a must for everyone trying to embark on a PhD endeavor.

Skills Objectives
- Improve diagnostic and analytical skills
- Enhance verbal skills via class and group discussions
- Build up critical thinking and interpretation skills

Learning Objectives
At the end of this course, students will be able to demonstrate understanding, critical assessment and application of the following:
- Academic scholarship as different parallel conversations, and identification of your own position
- The definition of management and organization theory, and a theoretical contribution in this space
- Fundamentals of mainstream organization theories so as to understand related conversations and participate in more advanced courses on theories of specific subfields of management

Preliminary schedule
Please see “Course Outline” for details on each session’s content and required preparations.

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<th>Session</th>
<th>Weekday</th>
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<th>Topic</th>
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<td>Thu</td>
<td>18.04.</td>
<td>Z538 (0505.Z1.538Z)</td>
<td>What is good theory?</td>
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<td>3</td>
<td>Thu</td>
<td>02.05.</td>
<td>Z538 (0505.Z1.538Z)</td>
<td>Where do current theories come from?</td>
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<td>Fri</td>
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<td>2403 (0504.02.403)</td>
<td>(Structural) contingency theory</td>
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<td>5</td>
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<td>Z534 (0505.Z1.534Z)</td>
<td>Behavioral theory of the firm</td>
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<td>6</td>
<td>Fri</td>
<td>31.05.</td>
<td>2403 (0504.02.403)</td>
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<td>8</td>
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<td>Fri</td>
<td>05.07.</td>
<td>2403 (0504.02.403)</td>
<td>Population ecology</td>
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<td>11</td>
<td>Thu</td>
<td>19.07.</td>
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<td>01.08.</td>
<td>2403 (0504.02.403)</td>
<td>Presentations (see “Assessment”)</td>
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Core readings
There is no magic book that will teach you how to become a great organization theorist. All that we can provide you with are the essential ingredients – knowledge about what theory and theorizing are, as well as information
about which theories exist, what they say, and how you can interact with them. The best way to do so is through a selection and combination of suitable academic articles, which are listed separately.

In case you wish to do additional, voluntary reading beyond this course, we recommend the following books:


**Course procedures**

**Have Fun**
Contributing new theoretical insights to the academic debate is the very core of our profession. In turn, our goal is to equip you with the core set of skills that are necessary to do so. Applying principles of academic inquiry, rigorously and in the right context, is what any scholar wants to do! Put differently (and bluntly), if you do not enjoy the subject matter of this class, you might want to reconsider some of your career decisions!

**Prepare and Participate Actively**
To make this class a success for everyone, we need you to prepare for class and participate in class. There is a lot of material that we want to cover, and this material is (1) ordered consecutively (so you need the early sessions to really get the later ones) and (2) the very foundation of anything else you will do in your PhD, such as other classes offered by us. Thus, in order to get the most out of this course, we ask you to prepare for each class, so that you will be capable of discussing the assigned readings. Note that for each session, we have provided assignment questions to guide your preparation. From the second week onward, each reading will be assigned to several “primary” reviewers, one of which will be chosen to critically review the reading and comment on it. A second primary reviewer will be asked to provide additional commentary, either agreeing or disagreeing with the first reviewer. The discussion will then be open to the class. In particular for sessions 5-11, note that the focus of the reviews and the discussion should not be whether you think an article is “good” or “bad” but on what it proposes – according to this article, what is theory (sessions 1-3, 11, 13), what is an organization (sessions 4-10, 13) and what does it do, how does it do it, and why? In addition, try to formulate a coherent story around all articles: jointly, what do they say? How does it link to what you know, what you have learnt in other PhD classes, and to earlier session in this very course?

We highly recommended that you prepare notes in sufficient detail to enable your regular participation in the discussion. You are encouraged to prepare for class with your colleagues, however, each member of the class should be fully conversant in the material — expect to be called on in class. You should be able to outline the topic that readings address, describe the core points of the reading and most importantly, offer your analysis of the strengths and weaknesses of the reading’s central argument. For exemplar articles you should be able to critically assess their effectiveness. If for some reason you are not prepared please let me know before the start of class to save us both the embarrassment of my calling on you.
Give feedback
Your feedback – in class or in private – on any aspect of this course is welcome at any time. It can help make this course an excellent experience for you and for us. We encourage you to contact us via email and we will respond as soon as possible (usually within the same day the email is received). If you wish to see one of us in person, please let us know so that we can prepare. Come prepared.

Assessment

There will be no mandatory assessment. Nonetheless, note that attendance and participation are mandatory, and regular unexcused absence or poor preparation may lead you to being banned from the course.

At the same time, there exists the option for voluntary assessment. Specifically, students will have the opportunity to use this course to develop, elaborate, or scrutinize their own research questions and PhD thesis ideas as laid out below. These are also the tasks we assign to students who are not members of the TUM Graduate School and need an assessment or even a grade to get credit for this course in their respective PhD programs. If you want or need to be assessed or even graded, please let me know before the second session of class at the absolute very latest.

Course Assignments (80% of the course grade)
1. Progress Report 1: Problem Definition (1-2 pages, typed, double-spaced). Sketch a research problem at the level of the firm that interests you. Describe why, in your view an understanding of this problem is relevant to organization theory scholars and practitioners. **Due Session 2. 5% of course grade**
2. Progress Report 2: Literature Search. What do you consider the 5-10 core articles that define the recent conversation around your research question? Format your reading list as a list of references following the format used in the Academy of Management Journal. **Due Session 3. 2.5% of course grade**
3. Progress Report 3: Location of the debate and presentation of related questions or hypotheses (5-7 pages, typed, double-spaced). Discuss possible theoretical perspectives that address your research problem. To do so, formally state your research question and no fewer than three ways in which answering it will help advance organization theory in this area. Revise your research problem if you find that it has already been addressed in previous research. In doing so, clearly elaborate what sort of paper you intend to write (theory, empirical, mathematical). This report should incorporate Reports 1 and 2. **Due Session 13. 15% of course grade**
4. Presentation and Critical Commentary: Present Progress Report 3 (10-15 minutes) in class and prepare (2-3 pages, typed, double-spaced) for one other students’ Progress Report 3s. Be prepared to summarize your commentary for the course. Both your presentation grade and your commentary grade will largely be determined by your peers. Session 12 will be entirely dedicated to these presentations and discussions. **Due Session 14. 10% of course grade; 7.5% of course grade**
5. Final Report (15-20 pages, typed, double-spaced). Based on theory and hypotheses developed in Progress Report 3, develop a research proposal for submission to your PhD advisor, to a conference, or to a funding agency such as the DFG. Revise your ideas based on comments you receive from reviewers. Your proposal should include a detailed description of your research design, the data required to test your hypotheses, and methods used to collect (and analyse) the data. What implications does your proposed research have for the future? Do you have a program of research in mind? If so, describe it. **Due two**
weeks after Session 14. 40% of the course grade

Participation (20% of the course grade)
It is important to appreciate that every member of the class is a co-producer of the class discussion, listen carefully to one another and attempt to build on or constructively critique prior comments. An effective participant:

- Is a good listener
- Makes points relevant to the ongoing discussion
- Makes comments that add to our understanding of the reading or article
- Is willing to challenge ideas that are being expressed
- Integrates material from past classes, other courses

If you need to receive a grade for this course, I will ask each of the other students to submit a one-page evaluation and grade out of 20, based on these five criteria, for you. These scores will be averaged with one assigned by me to determine your 20% participation grade.

Course outline

Part I – Understanding theory

Session 1. What is good theory?


- Voluntary supplementary reading:

Session 2. Building good theory


- Voluntary supplementary reading:
Session 3. Where do current theories come from?
- Voluntary supplementary reading:
  - Two chapters out of *Great Minds in Management* (choose from organization-level theories).

Part II – Understanding *organization* theory

Session 4: (Structural) Contingency Theory
- Voluntary supplementary reading:

Session 5: Behavioral Theory of the Firm
Session 6: Resource-based view (and a little knowledge-based view and capabilities)


Voluntary supplementary reading:

Session 7: Resource-dependence theory

• Voluntary supplementary reading:

**Session 8: Network theory**
• Voluntary supplementary reading:

**Session 9: Institutional theory**
• Voluntary supplementary reading:

**Session 10: Population ecology**
• Voluntary supplementary reading:

**Part III – Contributing to organization theory**

**Session 11. Theorizing on empirical data**

**Session 12. Contributing to the theoretical debate – two recent examples**


**Session 13. Where can new theories come from?**


**Session 14. Presentations and Commentaries**

*Note: To be submitted two days in advance via Moodle. If you want to participate in this session, please let me know early on in the course (see “Assessment” for details”).*