

SOCI 3001      Organizations and Society

1<sup>st</sup> term, 2022-23

Thursdays 4:30 pm -6:15 pm. NAH 114

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Office Hour: Fridays 2-4 or by appointment

### **Course Description**

Formal organizations are ubiquitous in contemporary societies, such as firms, schools, hospitals, and government offices. They educate us, manage our finance, structure our daily routines, distribute resources and opportunities among social groups, and they respond to crises. This course introduces basic concepts and theoretical logics for analyzing formal organizations. A multidisciplinary approach is adopted to interpret and explain organizational phenomena, with complementary perspectives drawn from sociology, economics, and psychology. One theme of this course is to apply organizational theories and concepts to make sense of organizational responses to Covid-19 Pandemic crises.

### **Readings – required**

- W. Richard Scott and Gerald F. Davis. 2007. *Organizations and Organizing*. NJ: Prentice Hall.
- John Roberts. 2007. *The Modern Firm*. New York: Oxford University Press.
- Selected journal articles, book chapters, and class handouts. (Note: some readings and case studies are subject to change)

### **Readings – recommended**

- James March. 1994. *A Primer on Decision Making*. New York: Free Press.

### **Format**

The format of this course is a mixture of lectures, discussions, and case studies. In each lecture, one component focuses on key issues around the readings of the week; the second component will discuss a specific case study related to the theme of the week (about 30 min.). Students are expected to read the required readings and cases prior to class.

### **Requirements**

- Class attendance and participation (20%).
- A midterm (30%).
- A case study (50%). Apply the issues and analytical tools discussed in this course to a specific organizational phenomenon (e.g., some aspects of organizational responses to Covid-19, employment relationships in the work environment, decision-making under uncertainty, etc.). The project paper should be within 12 pages (double-spaced, with 1-inch margins and 12-point type). Students may organize into a team (up to 2 persons per team) or

work on an individual project. A series of milestone events are listed in the weekly syllabus below.

## COURSE OUTLINE

### **Lecture 1. Introduction: Why Organizations?**

- Organizations and markets: Why different forms of organizing?
- Multiple approaches to organizations

#### Reading:

Scott: Chapters 1.

Alfred D. Chandler, Jr. 1984. "The Emergence of Managerial Capitalism"  
*Business History Review* 58: 473-503.

#### Further reading:

Charles Perrow. *Normal Accidents: Living with High-Risk Technologies*.  
Introduction, Chapters 1, 2, 3, 9, Afterward. (Begin your reading of these chapters, and continue into future weeks.)

### **Lecture 2. The Rational Model of Organizations**

- The rational model
- Organizations as rational actors: Design and strategies
- Transaction cost economics
- Implications for Covid-19 response

Case for analysis: "The Plague Year" (New Yorker Jan. 4 & 11)

<https://www.newyorker.com/magazine/2021/01/04/the-plague-year>

#### Reading:

Scott: Chapters 9.

Roberts: Chapters 1, 3.

#### Further reading:

Coase, Ronald H. 1937. "The Nature of the Firm." *Economica* N.S. Pp. 33-55 in  
*The Firm, the Market and the Law*. University of Chicago Press.

### **Lecture 3. Organizations and Bounded Rationality**

- A behavioral approach to organizations
- Bounded rationality, attention, and interests
- Decision making and implementation

Case for analysis: "The most consistently botched part of the US pandemic

response” Vox Jan. 14, 2022 <https://www.vox.com/coronavirus-covid19/22870268/cdc-covid-19-guidelines-isolation-boosters-masks>

Reading:

Scott: Chapters 2, 3.

Roberts: Chapter 2.

March: Chapter 1.

Further reading:

Cyert, Richard and James March. 1963. *A Behavioral Theory of the Firm*.  
Prentice-Hall.

**Lecture 4**      ***Organizations and Institutions***

- Why do organizations look so similar?
- The institutional logic of organizations

Case for analysis: TBD

Reading:

Scott: Chapters 4, 5.

DiMaggio, Paul and Walter Powell. 1983. “The Iron Cage Revisited:  
Institutional Isomorphism and Collective Rationality in Organizational  
Fields.” *American Sociological Review* 48: 147-60.

Further reading:

Meyer, John and Brian Rowan. 1977. “Institutionalized Organizations: Formal  
Structure as Myth and Ceremony.” *American Journal of Sociology*  
83:340-63.

Selznick, Philip. 1966. *TVA and the Grass Roots*. Harper Torchbooks.

Madison, James. 1788. The Federalist Papers, No. 45.

Alexis de Tocqueville. 2002. *Democracy in America*. University of Chicago  
Press. Chapter 5 (Vol. 1).

**Lecture 5**      ***Explaining Internal Structure***

- Why a variety of organizational structures?
- Formal vs. informal structures
- Organizational rules & routines

Case for analysis: “Andrew Grove: Breaking the Chains of Command.”

Reading:

Scott: Chapter 6.

Roberts: Chapter 5.

Weick, Karl. 1993. "The Collapse of sensemaking in organizations: The Mann Gulch Disaster." *Administrative Science Quarterly* 38: 628-52. Available at: soc160 coursework.

Further reading:

Baron, James N. and Pfeffer, Jeffrey. 1994. "The Social Psychology of organizations and Inequality." *Social Psychology Quarterly* 57: 190-209.  
Lazear, Edward P. *Personnel Economics*. Esp. Chapters 7-9. MIT Press.

## Project formation due

### **Lecture 6**      ***Organizations and Environments***

- Why are there so many different types of organizations?
- Dimensions of organizational environment
- Ecologies of organizations

Case for analysis: "Playing out in Kentucky and Tennessee", BuzzFeedNews (April 8, 2020)

Reading:

Scott: Chapters 10, 12.

"Covid-19 Arrived in Seattle." NYT April 22, 2020 (updated May 6, 2020)

Further reading:

Hannan Michael T. and John Freeman. 1977. "The Population Ecology of Organizations." *American Journal of Sociology* 82: 929-64.

### **Lecture 7**      ***Midterm review and discussion***

### **Lecture 8**      ***Incentives and Employment Relationships in Organizations***

- The economic view of incentives
- The sociological approach to employment relationships
- Organizational demography

Case for analysis: "The future of work has arrived, and it's messy" POLITICO  
7/15/2021

Readings:

Scott: Chapter 7.

Roberts: Chapter 4.

Kerr, Steven. 1995. "An Academic Classic: On the folly of rewarding A, while hoping for B." *The Academy of Management Executive* 9: 7-14.

Further reading:

Baron, James N. 1988. "The Employment Relation as a Social Relation." *Journal of the Japanese and International Economics* 2: 492-525.  
Jensen, Michael C. and William H. Meckling. 1976. "Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure." *Journal of Financial Economics* 3: 305-360.

Project topic due

**Lecture 9**      ***Organizations and Networks***

- Network principles of organizing
- Network forms of organizations

Case for analysis: "The paradoxical role of social capital in the coronavirus pandemic," by Adam Gopnik (New Yorker, August 8, 2020)

Reading:

Scott: Chapters 11.  
Burt, Ronald. 1992. *Structural Holes*. Chapter 1.  
Podolny, Joel M. 1993. "A Status-based Model of Market Competition." *American Journal of Sociology* 98: 829-72.

Further reading:

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

**Lecture 10**      ***Organizational Decision-Making***

- Models of decision making
- Decision making as a garbage-can process
- Implementation as the continuation of decision making

Case for analysis: "The Plague Year" revisited

Readings:

Scott: Chapter 8.  
Cohen, Michael, James March, and Johan Olsen. 1972. "A Garbage Can Model of organizational Choice." *Administrative Science Quarterly* 17: 1-25.  
Zhou, Xueguang. 2020. "Organizational Response to COVID-19 Crisis: Reflections on the Chinese Bureaucracy and Its Resilience." *Management and Organization Review* 16:3:473-484.

Further reading:

Richard P. Feynman. 1989. Pp.113-211 in *What Do You Care What Other People Think?*

Vaughan, Diane. 1996. *The Challenger Launch Decision*. Pp.33-76.

Project preliminary report/update due

*Lecture 11*      ***Organizational Learning and Change***

- Organizational Learning
- Strategies for organizational change

Case for analysis: “Sweden’s coronavirus strategy is not what it seems.” (*The Washington Post* May 11, 2020)

“Why weren’t we ready for the coronavirus?” (*New Yorker* May 11, 2020)

Reading:

Scott: Chapter 13.

Roberts, Chapter 7.

March, James. 1991. “Exploration and Exploitation in Organizations.”  
*Organization Science* 2: 71-87.

Brusselaers, Nele, et. al. 2022. “Evaluation of science advice during the Covid-19 pandemic in Sweden. *Nature/Humanities & Social Sciences Communications* (2022) 9:91 | <https://doi.org/10.1057/s41599-022-01097-5>.

*Lecture 12*      ***Organizations in the Public Sector***

- Key characteristics of public organizations
- The mobilizational state
- Incentive design

Case study: TBD

Readings

Lindblom, Charles E. 1959. "The Science of ‘Muddling Through’." *Public Administration Review* 19:79-88.

Lipsky, Michael. 1980. *Street-Level Bureaucracy*. New York: Russell Sage Foundation.

Williamson, Oliver E. 1999. "Public and Private Bureaucracies: A Transaction Cost Economics Perspective." *Journal of Law, Economics, & Organization* 15:306-342.

Further readings

Wilson, James Q. 1989. *Bureaucracy: What Government Agencies Do and Why They Do It*. New York: Basic Books.

Dixit, Avinash K. 1996. *The Making of Economic Policy: A Transaction-Cost*

*Politics Perspective*. Cambridge, MA: MIT Press. (Ch. 1, 2)

*Lecture 13*     ***Organizations, Society and Social Inequality***

- Organizing society
- Organizations and inequality

Readings

Stinchcombe, Arther L. 1965. "Social Structure and Organizations." Pp. 142-93 in *Handbook of Organizations*, edited by J. G. March. Chicago: Rand McNally.

Baron, James N. 1984. "Organizational Perspectives on Stratification." *Annual Review of Sociology* 10:37-69.

Further readings

Arrow, Kenneth. 1974. *Limits of Organization*. Norton.

Hirschman, Albert O. Pp. 21-43 in *Exit, Voice, and Loyalty*.

Final report due on December 15<sup>th</sup>