
MANAGEMENT AND ORGANIZATIONS CLASSICSProf. Fabrizio Ferraro
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COURSE OUTLINE**Introduction**

Over the last 100 years, the fields of Management and Organization Theory have contributed to the enrichment of our understanding of economic and management action, with novel approaches, theories and methodological tools. This doctoral course provides a broad overview of the classics of management and the major theoretical debates within organization theory, and how they have influenced research in more applied fields. We will read and discuss theoretical and empirical papers, and explore how many of the ideas we find in these classics are relevant for current research questions and management challenges.

Objectives

This introductory doctoral course provides a broad overview of the key theoretical insights in management and organization theory, and how they have influenced research also in other management disciplines (operations, marketing, finance). By the end of the course the students will be able to frame a research question from a theoretical point of view and develop original research ideas to advance scholarship in their field.

Learning Outcomes

- *Evaluate the relevance of the theoretical advancements of scientific publications in organization theory*
- *Evaluate the scientific standards and quality of the methodologies of scientific publications in management organization theory*
- *Write a literature review of a sub-stream of research of organization theory, integrating several scientific contribution*
- *Generate new theory that advances our current understanding of organizations*
- *Lead a dialectic discussion that integrates several scientific contributions*
- *Communicate and debate the merits of one's scientific ideas*

Competences**General competencies**

CG1: Acquire knowledge, skills, abilities and attitudes required to conduct research on a global basis in the field of business management.

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CG3: Conduct a critical analysis, evaluation and synthesis of new and complex ideas with the objective to produce general principles applicable to business situations.

CG6: Use appropriate tools and techniques for problem solving, correction contrasting and decision validation

Basic competencies

CB6: Demonstrate knowledge and understanding that provide a basis or opportunity for originality in developing and / or application of ideas, often related to a research context.

Specific competencies

CE1: Understand the concepts of social and human sciences relevant and necessary to carry out research projects of international level in the area of business management.

CE2: Profound knowledge of tools in the fields of mathematics, statistics, econometrics and multivariate analyzes in order to carry out relevant research projects on a global level.

CE3: Organization, planning and implementation of a research project related to social sciences.

CE4: Distinguishing of the different fields of management sciences and acknowledgement of the research methodologies related to them.

CE6: Ability to take current management and organizational problems and identify how different theories of organizations can help us understand them.

CE7: Ability to design research programs in the area of Business Management.

CE8: Analyze business phenomena formal analysis tools (logic and mathematics) in order to develop consistent structural theories.

CE17: Ability to critically establish, the relevance and significance of the results obtained with respect to the proposed objectives, and prepare conclusions within the framework of current scientific knowledge on the topic in question.

Methodology

1. Readings and class discussion

Students are expected to read all the required readings and be prepared to discuss the material in class on the schedule indicated in the syllabus. All students should come to class with questions, topics, and issues to be raised for discussion. My role is to facilitate and direct the discussion. Your role is to engage each other in developing the best critical understanding of each paper.

As you do the readings, think about the following questions:

- 1) What are the basic arguments made by the author(s)? What are their strengths?
- 2) What are the weaknesses of the argument?
- 3) If you disagree with an argument, what would it take to convince you?

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- 5) Are there critical differences between these authors' arguments and those of others we have read?
- 6) Can these differences be resolved through an empirical test? How would you design a test to resolve these differences?
- 7) If an empirical paper, what alternative explanations can account for the findings of the authors?

2. Discussion leadership

In addition to preparing the papers for discussion, two students will also jointly lead each session. I will email you the assignment for the course one week before we start. Discussion leaders will provide the class with a short overview (max 20 minutes) of the main issues tackled by the readings, and open the general discussion by identifying some key debate issues and questions.

The readings in the “Classics Matter” section suggest how classic management organization theories might be leveraged to understand contemporary phenomena. Discussion leaders are encouraged to explore these and other issues that they might be interested in.

Evaluation

Evaluation will be based on class participation and on the average grade of the weekly memos students should prepare.

Before each class, students are asked to prepare brief memos (MAX 1000 words) relating to the readings of the class. Some of the memo should answer the question asked in the syllabus, while in other cases, the student can focus the memo on one or more of the following issues:

- specific ideas and concepts you found interesting
- concerns you might have with some of the ideas/arguments
- empirical settings that could be explored using a theory
- connections between different approaches and/or papers.

Memos are due the day before class and should be uploaded to Virtual Campus by 3pm. We will correct them, grade them, and return them to you in class. For the final grade, we will compute the average grade across the memos, dropping the grade of the worst one.

Grading:

Class participation: 50%

Short memo: 50%

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Course Outline: Topics and Articles

Sessions 1-2. Sep. 13, 09:30-12:15h

The Classic Tradition (Engineering and Administrative)

Required readings:

- Taylor, F.W. 1911. "Principles of Scientific Management", Reprinted in Thompson, Kenneth (ed.) 2003. The Early Sociology of Management and Organizations. Volume I, London, Routledge. Chapter I pp.121-132. Chapter II (Skim).
- Follett, Mary Parker. 1927. "Management as a Profession", Reprinted in Thompson, Kenneth (ed.) 2003. The Early Sociology of Management and Organizations. Volume III, Chapter V. London Routledge, pp. 96-111.
- Follett, Mary Parker. 1925, "The Giving of Orders", Reprinted in Thompson, Kenneth (ed.) 2003. The Early Sociology of Management and Organizations. Volume III, Chapter II. London Routledge, pp. 23-46
- Urwick, Lyndall Fowles. 1933. "Organization as a Technical Problem". Reprinted in Thompson, Kenneth (ed.) 2003. The Early Sociology of Management and Organizations. Volume IV, Chapter II. London Routledge, pp. 50-96 (Skim)

Classics matter:

- du Gay, P., & Vikkelsø, S. 2017. "The Idea of a 'Classical Stance' in Organization Theory". In For Formal Organization: The Past in the Present and Future of Organization Theory, Chapter 1 (pp. 27-36). <https://doi.org/10.1093/acprof:oso/9780198705123.003.0002>

Memo Question:

- Compare and contrast the readings. Can you identify a common thread among them? Are there key differences? Can we really talk about one classical tradition?

Optional readings:

- Taylor, F.W., 1912. "What is Scientific Management?, Hearings before the Special Committee of the House of Representatives". Reprinted as Chapter 1 in Matteson, M. and Ivancevich, J. (1986) Management Classics, Third Edition, Plano, Texas, Business Publications, pp. 7-17.
- Henry Fayol "Administration Générale et Industrielle", English translation by Constance Storrs, with a foreword by L. Urwick, 1949. London, Pittman and Sons.
- Koontz, Harold, 1961. "The Management Theory Jungle". Academy of Management Journal, Vol. 4, No. 3, December, pp. 174-188.
- Gilbreth, Frank and Lillian, 1924. "Classifying the Elements of Work". Management and Administration, 8(2), 151-154.

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Sessions 3-4. Sep. 20, 09:30-12:15h

The Classic Tradition (Sociological Foundations)

Required readings:

- Weber, Max. 2019 [1946]. Ch. 1 "Social Action" and Ch. 3 "Types of Rule" in *Economy and Society*, Harvard University Press, pp. 99-103; pp. 338-354,
- Weber, Max. 1978 [1946]. Ch. 11 "Bureaucracy", in *Economy and Society*, Vol 2, University California Press, pp. 956-963, and 973-975.
- Haveman HA. 2009. "The Columbia School and the Study of Bureaucracies: Why Organizations Have Lives of their Own". *The Oxford Handbook of Sociology and Organization Studies: Classical Foundations* (July 2018): 1-23.
- Adler, P. S. 2012. "The Sociological Ambivalence of Bureaucracy: From Weber via Gouldner to Marx". *Organization Science*, 23(1), 244-266. <https://doi.org/10.1287/orsc.1100.0615>
- Monteiro, P., and P. Adler 2021 "Bureaucracy for the 21st Century: Clarifying and Expanding Our View of Bureaucratic Organization." *The Academy of Management Annals*. doi:10.5465/annals.2019.0059
- Shenav, Yehouda. 2003. "The Historical and Epistemological Foundations of Organization Theory: Fusing sociological theory with engineering discourse", in Tsoukas, Haridimos, George D. Mavros and Christian Knudsen (Eds.) *The Oxford Handbook of Organization Theory* Oxford University Press.

Classics matter:

- Capitalism's secret love affair with bureaucracy. <https://www.ft.com/content/73212b74-c1ba-11e4-8b74-00144feab7de>

Memo Question:

- Adler, Haveman, and Shenav offer three historical reconstruction of the relationship between various strands of theorizing on bureaucracy. Explain their key differences and points of convergence, and relate them to your own reading of Weber's pages on bureaucracy.

Optional readings:

- Lounsbury M, Carberry EJ. 2005. "From king to court jester? Weber's fall from grace in organizational theory". *Organization Studies* 26(4): 504-525. Available at: <http://journals.sagepub.com/doi/10.1177/0170840605051486>.
- Perrow, Charles. 1986. "Why Bureaucracy?". In *Complex Organizations*, New York: McGraw-Hill, pp.1-57.

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Sessions 5-6. Sep. 27, 09:30-12:15h

The Harvard Tradition: Chester Barnard

Required readings:

- Barnard, Chester I. 1938. "The functions of the executive". Harvard University Press, Cambridge, Ma.
- du Gay, P., & Vikkelsø, S. (2017). "The Idea of a 'Classical Stance' in Organization Theory". In For Formal Organization: The Past in the Present and Future of Organization Theory (pp. 36-52). <https://doi.org/10.1093/acprof:oso/9780198705123.003.0002>

Classics matter:

- Larry Fink, 2019. Letter to CEOs, Purpose & Profit
<https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>
- <https://www.businessroundtable.org/business-roundtable-marks-second-anniversary-of-statement-on-the-purpose-of-a-corporation>

Memo Question:

- What is Barnard trying to accomplish? How does that relate to the challenges of his time? How does it relate to the current discussion on corporate purpose?

Optional readings:

- Wolf, William B. 1972. "Conversations with Chester I". Barnard. NYSSILR, Cornell, NY.

Sessions 7-8. Oct. 4, 09:30-12:15h

Institutionalism: Philip Selznick

Required readings:

- Selznick, Philip. 1957. "Leadership in organization: A sociological interpretation". California University Press, Berkeley, CA.

Classics matter:

- <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/from-principle-to-practice-making-stakeholder-capitalism-work>

Memo Question:

- Which ideas from Selznick would you say still matters today?

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Optional readings:

- Besharov, M. L., & Khurana, R. (2015). "Leading Amidst Competing Technical and Institutional Demands: Revisiting Selznick's Conception of Leadership". In *Institutions and Ideals: Philip Selznick's Legacy for Organizational Studies* (Vol. 44, pp. 53-88). <https://doi.org/10.1108/S0733-558X20150000044004>
- Kraatz, M. S., & Flores, R. (2015). "Reinfusing Values. In *Institutions and Ideals: Philip Selznick's Legacy for Organizational Studies* (Vol. 44, pp. 353-381). <https://doi.org/10.1108/S0733-558X201544>
- King, B. G. (2015). "Organizational Actors, Character, and Selznick's Theory of Organizations". In *Institutions and Ideals: Philip Selznick's Legacy for Organizational Studies* (Vol. 44, pp. 149-174). <https://doi.org/10.1108/S0733-558X201544>

Sessions 9-10. Oct. 11, 09:30-12:15h

The Carnegie School: Herbert Simon

Required readings:

- Simon, H.:1957, "Administrative Behavior", Second Edition. The Free Press, New York and London.
- Simon, Herbert A., 1955. "A Behavioral Model of Rational Choice", *Quarterly Journal of Economics*, vol. 69, pp. 99-118. Reproduced as Chapter 14 in Simon (1957), "Models of Man".

Classics matter:

- <https://www.economist.com/interactive/briefing/2022/06/11/huge-foundation-models-are-turbo-charging-ai-progress>

Memo Question:

- How can Simon help us make sense of the developments in AI and its impact on work and organizations?

Optional readings:

- Simon, Herbert (1967), "The Business School: A Problem in Organizational Design", *Journal of Management Studies*, 4: 1-16.
- Simon, H.: 1964. "On the Concept of Organizational Goal". *Administrative Science Quarterly*, June, 9 (1), pp 1-22.
- Simon, Herbert (1951), "A Formal Theory of the Employment Relationship", *Econometrica*, vol 19, pp 293-305. Reproduced as Chapter 11 in Simon (1957), *Models of Man*"
- Williamson, O. E. (2004). Herbert Simon and organization theory: Lessons for the theory of the firm in *Models of a Man: Essays in Memory of Herbert A. Simon*, 2. Retrieved from

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<http://www.google.fi/books?hl=fi&lr=&id=FR5Cee2lqkcC&pgis=1>

Sessions 11-12. Oct. 18, 09:30-12:15h

The Carnegie School: James March

Required readings:

- March, James G., and Herbert Simon. 1958. "Cognitive Limits on Rationality". Organizations. McGraw-Hill, Ch. 6, pp. 157-192
- Cyert, Richard and James G. March. 1963. "A Behavioral Theory of the Firm". Prentice-Hall, Ch. 7 A Summary of Basic Concepts, pp. 161-176.-127.
- March, James G. 1991. "Exploration and Exploitation in Organizational Learning." Organization Science 2(1): 71-87.
- Gavetti, Giovanni, and Daniel Levinthal. 2000. "Looking forward and looking backward: Cognitive and experiential search". Administrative Science Quarterly, 45: 113-137.

Classics matter:

- <https://www.wired.com/2016/06/50-million-hack-just-showed-dao-human/>
- <https://www.theverge.com/22928769/web3-ethereum-name-service-ens-tokens-voting-dao>

Memo Question:

- How does the Carnegie School change as we move from Simon's work towards the work of March and collaborators? Both in terms of theoretical ideas, focus of attention, and methodological approach.

Optional readings:

- Bendor, Jonathan, Terry Moe, and Ken Schotts. 2001. "Recycling the Garbage Can: An Assessment of the Research Program". APSR 95, 1: 169-190. Reply by Johan Olsen, "Garbage Cans, New Institutionalism, and the Study of Politics." Pp. 191-198.

Sessions 13-14. Oct. 24, 09:30-12:15h

Contingency Theory & Resource Dependence

Required readings:

- Thompson, James D. 1967. "Organizations in Action". McGraw-Hill, pp.1-65.
- L. Donaldson. 1996. "The normal science of structural contingency theory", in S. Clegg, C. Hardy, and W. Nord, eds., Handbook of Organization Studies, Newbury Park: Sage, pp 57-76.
- Emerson, Richard M. 1962. "Power-dependence relations". American Sociological Review, 27: 31-41.

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- Pfeffer, Jeffrey and Gerald Salancik. 1978. "The External Control of Organizations". Harper & Row, Chs. 3 and 4, pp. 39-91.

Classics matter:

- <http://www.businessinsider.com/tony-hsieh-explains-how-zappos-rebounded-from-employee-exodus-2016-1>
- <https://blog.cultureamp.com/alternative-management-structures>

Memo Question:

Is Thompson a contingency theorist, as Donaldson suggest? What are the main differences between his theory and the ones of other contingency theorists?

Optional readings:

- C. B. Schoonhoven, 1981. "Problems with contingency theory: Testing assumptions hidden with the language of contingency theory". Administrative Science Quarterly 26: 349-77
- Drazin, Robert and Andrew H. van de Ven 1985. "Alternative forms of fit in contingency theory". Administrative Science Quarterly, 30: 514-539.
- Casciaro, Tiziana and Mikolaj Piskorski. 2005 "Power imbalance, mutual dependence and constraint absorption: A Closer Look at Resource Dependence Theory". Administrative Science Quarterly, June.

Sessions 15-16. Nov. 8, 09:30-12:15h

The Fabulous 70s: New Institutionalism

Required readings:

- Meyer, John W., and Brian Rowan 1977. "Institutional organizations: Structure as myth and ceremony". American Journal of Sociology 83: 340-63.
- Powell, Walter W., and Paul J. DiMaggio, eds. 1991. "Introduction", The New Institutionalism in Organizational Analysis". University of Chicago Press, pp. 1-38.
- DiMaggio, Paul J. and Walter W. Powell 1983. "The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields". ASR 48: 147-60.
- Tolbert, Pamela S., and Lynne G. Zucker. 1983. "Institutional sources of change in the formal structure of organizations: The diffusion of civil service reform, 1880-1935". Administrative Science Quarterly, 28: 22-39.
- Baron, James N., Frank R. Dobbin, and P. Deveraux Jennings 1986. "War and peace; the evolution of modern personnel administration in U.S. industry". American Journal of Sociology, 92: 350-83.

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Classics matter:

- <https://www.vanityfair.com/news/2016/09/elizabeth-holmes-theranos-exclusive>
- <http://fortune.com/silicon-valley-startups-fraud-venture-capital/>

Memo Question:

- How is new institutionalism different from the old one (especially Selznick's work)?

Optional readings:

- Meyer, J. W., J. Boli, et al. 1997. "World society and the nation-state". American Journal of Sociology 103(1): 144-181.
- Dobbin, Frank and John Sutton. 1998. "The Strength of a Weak State: The Rights Revolution and the Rise of Human Resources Management Divisions". American Journal of Sociology 104: 441-76.

Sessions 17-18. Nov. 15, 09:30-12:15h

The Fabulous 70s: Population Ecology

Required readings:

- Hannan, Michael T. and John Freeman 1977. "The population ecology of organizations". American Journal of Sociology 82: pp.929-64.
- Carroll, Glenn R., and Michael T. Hannan. 2000. "The Demography of Corporations and Industries", chapters 2-3, 4 (skim), 10, 12 (skim). Princeton, NJ: Princeton University Press: pp. 17-81, 211-277
- Carroll, Glenn and Anand Swaminathan. 2000. "Why the Microbrewery Movement? Organizational Dynamics of Resource Partitioning in the U.S. Brewing Industry". American Journal of Sociology 106(3): pp. 715-762.

Classics matter:

- <https://www.businessoffashion.com/articles/intelligence/what-comes-after-zara>
- <https://www.forbes.com/sites/lbsbusinessstrategyreview/2017/02/20/kraft-heinz-versus-unilever-a-contest-between-two-models-of-capitalism/#5ac2e819d77a>

Memo Question:

- As you compare population ecology with previous theories of organizing, what are the key similarities and differences with contingency theory, institutional theory, and resource dependence theory?

Optional readings:

- Haveman, Heather A., and Hayagreeva Rao 1997. "Structuring a theory of moral sentiments:

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Institutional and organizational coevolution in the early thrift industry". *American Journal of Sociology* 102: 1606-1651.

Sessions 19-20. Nov. 22, 09:30-12:15h

The Fabulous 70s: Networks, Embeddedness & Wrap-Up

Required readings:

- Granovetter, Mark S. 1977. "The Strength of Weak Ties". *American Journal of Sociology* 78: 1360-1380.
- Burt, R. S. 1987. "Social Contagion and Innovation: Cohesion Versus Structural Equivalence". *American Journal of Sociology* 92:1287-335.
- Baker, Wayne E. 1984. "The Social Structure of a National Securities Market". *American Journal of Sociology* 89, 4: 775-811
- Granovetter, Mark. 1985. "Economic action and social structure: The problem of embeddedness". *American Journal of Sociology* 91: 481-510 (skim).

Classics matter:

- <https://www.newyorker.com/magazine/2015/10/12/the-network-man>

Memo Question: NO MEMO

Optional readings:

- Burt, Ronald S. 1997. "The Contingent Value of Social Capital." *Administrative Science Quarterly* 42(2): p. 339-65.
- Kadushin, Charles. 1995. "Friendship Among the French Financial Elite." *American Sociological Review* 60: 202-221
- Lorrain, Francois and Harrison. C. White and Harrison. C. White. 1971. "Structural Equivalence of Individuals in Social Networks". *Journal of Mathematical Sociology* 1(1):49-80.
- Linton C. Freeman. "The Development of Social Network Analysis: A Study in the Sociology of Science". Vancouver, Canada: Booksurge Publishing, 2004
- White, Harrison C., Scott Boorman, Ronald Breiger. 1976. "Social Structure from Multiple Networks. I. Blockmodels of Roles and Positions". *American Journal of Sociology* 81: 730-780
- Breiger, R. L. 1974. "The Duality of Persons and Groups". *Social Forces* 53:181-90.
- Van den Bulte, Christophe and Gary L. Lilien. 2001. "Medical Innovation Revisited: Social Contagion versus Marketing Effort". *American Journal of Sociology* 106(5):1409-35.
- Krackhardt, David. 1990. "Assessing the Political Landscape Structure, Cognition, and Power in Organizations". *Administrative Science Quarterly* 35(2): p. 342-69 (28 pages).

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Professor's Biography



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Fabrizio Ferraro is Professor of Strategic Management at IESE Business School. He holds a PhD in Management from Stanford University. His current research explores the emergence of responsible investing in mainstream financial markets and was supported by a five-year grant (2011-2015) of the European Research Council (ERC). Previously he studied the institutionalization of the Global Reporting Initiative and his work has been published in the *Administrative Science Quarterly*, *Academy of Management Review*, *Academy of Management Journal*, *Organization Science*, and *Organization Studies* among others.

He received the 2005 IESE Prize for Excellence in Research, the 2006 Best Paper Award from the *Academy of Management Review*. He serves or has served as a member of the editorial board of *Academy of Management Review* and *Academy of Management Discovery*, and *European Management Review*.