

Organization Theory

Term II (January – March 2024)

LECTURERS

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COURSE DESCRIPTION

The objective of this course is to introduce students to fundamental questions and theoretical approaches in the study of organizations, and to the fundamental issues about organizational design. The readings are organized historically and thematically to capture the intellectual trajectories of organization theory and various shifts in emphasis: from workers to managers, from organizational processes to outputs, from studies of single organizations in their environments to studies of collective action in organizational populations and fields. Students are expected to complete all the readings prior to class. Our primary goal is to cover the major theoretical approaches to organizations, and we will examine recent advances in theory and research that extend these approaches in interesting ways. During the course, students will develop a solid understanding of some of the major economic perspectives guiding the study of organizations and they will examine how different theoretical perspectives are tested.

The course does not assume specialized background in organization theory.

COURSE OBJECTIVES

This course is designed to develop your skills in discussing and critiquing both arguments and evidence. Students not only need to understand the arguments, but also need to be able to talk about them and extend them. Each lesson’s readings will typically include some “classics” defining the particular perspective, some more recent theoretical and/or empirical developments of the perspectives, and either implicit or explicit critiques of the basic perspective.

EXAM & EVALUATION

In-class article presentation & Discussion (60%)

In each class, starting from class #2, there will be a presentation of three articles. The articles, assigned by the lecturers (see them in the “Course materials” sections), will be

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two “empirical” article and one “theoretical/literature review” article. Three groups of two students will present the empirical articles (one paper each group). All the students of the groups presenting the articles are required to actively participate to the presentation and discussion. Guidelines about presenting and discussing an article will be provided during the first lesson of the course. Presenters are responsible for providing handouts for all the participants. The article presentations will help students to familiarize with theoretical and methodological issues in organizational theory.

Please see below a possible schedule of the article presentations.

		Student 1	Student 2	Student 3	Student 4	Student 5	Student 6
Class #2 - Decision making and Cognitive approach to organizing	Empirical article #1	x	x				
	Empirical article #2			x	x		
	Theoretical article					x	x
Class #3 - Transaction Cost Economics	Empirical article #1					x	x
	Empirical article #2	x	x				
	Theoretical article			x	x		
Class #4 - Motivation and People Management	Empirical article #1			x	x		
	Empirical article #2					x	x
	Theoretical article	x	x				
Class #5 - Contingency theories	Empirical article #1	x	x				
	Empirical article #2			x	x		
	Theoretical article					x	x
Class #6 - Institutions and Organizations	Empirical article #1					x	x
	Empirical article #2	x	x				
	Theoretical article			x	x		
Class #7 - Organizational Resilience	Empirical article #1			x	x		
	Empirical article #2					x	x
	Theoretical article	x	x				

Individual literature review on selected topics (40%)

The second part of the evaluation consists in writing a literature review. Each student will self-select a topic of interest, possibly related to his/her area of research. The selection of the topic should be discussed with the instructors and should be defined by the end of January.

The literature review will aim at illustrating and discussing to what extent organizational theories have been adopted for exploring the student’s topic of choice: for instance, supply chain management has been analysed adopting transaction cost theory and institutional theory. Why these theories have been adopted? Which are the issues explored through the adoption of these theories? Which are the main findings of the empirical articles?

Further details about the assignment and how to write a literature review will be provided during the course.

CLASS SCHEDULE

Links for attending the lessons on-line

Link for lesson #1 (January 9th) - <https://unipd.zoom.us/j/88697720355>

Recurring link for all the other lessons (from #2 to #7) - <https://unipd.zoom.us/j/87474900919>

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Class	Date	Hours	Instructor	Topics
1	Tue 9 Jan	10.00-12.00	Campagnolo - Gianecchini	Course Overview Does Organization Theory matter?
2	Mon 15 Jan	14.30-17.30	Gianecchini	Decision Making and Cognitive Approach to Organizing
3	Mon 22 Jan	14.30-17.30	Campagnolo	Transaction Cost Economics
4	Mon 29 Jan	14.30-17.30	Gianecchini	Motivation and People Management
6	Tue 6 Feb	14.30-17.30	Campagnolo	Contingency theories
5	Mon 12 Feb	14.30-17.30	Gianecchini	Institutions and Organizations
7	Mon 19 Feb	14.30-17.30	Campagnolo	Organizational Resilience

COURSE MATERIALS

Organization theories: an overview

Specific questions & Aims

Which are the foundations of *organizational theories* and their evolution? Classical theories: similarities and differences between the ideas of Taylor, Fayol, and Weber. The universal process approach: lessons and limitations. New theories of organization: brief introduction to challenges facing contemporary scholars

Required readings

Puranam P., 2017, An introduction to the micro-structural approach to organization design. In *The Microstructure of Organizations*, Ch. 1, Oxford

Further readings

- Fayol H., 1916, General Principles of Management (ch.12 in Pugh 4th ed) [full chapter]
 Taylor F.W., 1912, Scientific Management (ch.13 in Pugh 4th ed) [full chapter]
 Weber M., 1924, Legitimate Authority and Bureaucracy (ch.1 in Pugh 4th ed) [full chapter]
 Brunsson K.H., 2008, “Some Effects of Fayolism”, *International Studies of Management & Organization*, 38(1), 30–47
 Gajduschek G., 2003, “Bureaucracy: Is It Efficient? Is It Not? Is That The Question?: Uncertainty Reduction: An Ignored Element of Bureaucratic Rationality”, *Administration & Society*, 34 (6), 700-729
 Greenwood R., Miller D., 2010, “Tackling design anew: Getting back to the heart of organizational theory”, *Academy of Management Perspectives*, 24(4), 78 - 88
 Schofield J., 2001, “The Old Ways Are the Best? The Durability and Usefulness of Bureaucracy in Public Sector Management”, *Organization*, 8, 77-96, [77-96]
 Suddaby R., Hardy C., Huy Q.N., 2011, “Where are the new Theories of Organization?”, *Academy of Management Review*, 36(2), 236–246.
 Wagner-Tsukamoto S., 2008, “Scientific Management revisited. Did Taylorism fail because of a too positive image of human nature?”, *Journal of Management History*, 14(4), 348-372

- Walton E. J., 2005, “The Persistence of Bureaucracy: A Meta-analysis of Weber’s Model of Bureaucratic Control”, *Organization Studies*, 26 (4), 569–600
- Wren D.A., Bedeian A.G., Breeze J.D., 2002, “The foundations of Henri Fayol’s administrative theory”, *Management Decision*, 40(9), 906-918

Doing Research in Organization Theory

- Barney J.B., (2020). Contributing to theory: opportunities and challenges. *AMS Review*, 10:49–55
- Bono, J. E., & McNamara, G. (2011). Publishing in AMJ—Part 2: Research design. *Academy of Management Journal*, 54(4), 657-660.
- Colquitt, J. A., & George, G. (2011). Publishing in AMJ—part 1: topic choice. *Academy of Management Journal*, 54(3), 432-435.
- Corley, K. (2012). Publishing in AMJ—Part 7: What's Different about Qualitative Research?. *Academy of Management Journal*, 55(3), 509-513.
- Geletkanycz M., and Tepper B.J., 2012, Publishing in AMJ – Part 6: Discussing the implications, *Academy of Management Journal*, Vol. 55, No. 2, 256–260
- Geletkanycz, M., & Tepper, B. J. (2012). Publishing in AMJ—part 6: Discussing the implications. *Academy of Management Journal*, 55(2), 256-260.
- Grant, A. M., & Pollock, T. G. (2011). Publishing in AMJ—Part 3: Setting the hook. *Academy of Management Journal*, 54(5), 873-879.
- Scandura, T. A., & Williams, E. A. (2000). Research methodology in management: Current practices, trends, and implications for future research. *Academy of Management Journal*, 43(6), 1248-1264.
- Sparrowe, R. T., & Mayer, K. J. (2011). Publishing in AMJ—Part 4: Grounding Hypotheses. *Academy of Management Journal*, 54(6), 1098-1102.
- Zhang, Y. A., & Shaw, J. D. (2012). Publishing in AMJ—Part 5: Crafting the methods and results. *Academy of Management Journal*, 55(1), 8-12.

Decision making and bounded rationality

Specific questions & Aims

The *assumptions* of rationality in the classical theories. Challenges to the classical assumptions. The principles of bounded rationality. Bounded rationality and decision-making process: main ideas. Elements of the behavioral theory of choice. Elements of the behavioral theory of organization.

Are organizations “real” or do we create our own subjective realities? What can we learn from analyzing the discourse of organizing? Which is the process through which an organization “interpret” the reality?

Required readings

- Gavetti, G., Greve, H. R., Levinthal, D. A., & Ocasio, W. (2012). The behavioral theory of the firm: Assessment and prospects. *Academy of Management Annals*, 6(1), 1-40.**
- Milosevic, I., Bass, A. E. & Combs, G. M. (2018). The paradox of knowledge creation in a high-reliability organization: a case study. *Journal of Management*, 44, 1174–201.
- Shrestha, Y. R., Ben-Menahem, S. M., & Von Krogh, G. (2019). Organizational decision-making structures in the age of artificial intelligence. *California Management Review*, 61(4), 66-83.

Further readings

- Argote, L., & Greve, H. R. (2007). A behavioral theory of the firm—40 years and counting: Introduction and impact. *Organization science*, 18(3), 337-349.

- Cyert R.M., March J.G., 1963, *A behavioral theory of the firm*, Prentice-Hall: Englewood Cliffs, N.J
- Foss, N. J. (2020). Behavioral strategy and the COVID-19 disruption. *Journal of Management*, 46(8), 1322-1329.
- Maitlis S., 2005, The social process of organizational sensemaking, *Academy of Management Journal*, 48(1), 21-49
- Maitlis S., Sonenshein S., 2010, Sensemaking in Crisis and Change: Inspiration and Insights From Weick, *Journal of Management Studies*, 47(3), 551-580
- Simon, H. A. (1955). A behavioral model of rational choice. *The Quarterly Journal of Economics*, 69(1), 99-118.
- Simon, H. A. (2000). "Bounded rationality in social science: Today and tomorrow". *Mind & Society*, 1(1), 25-39.
- Simon, H. A. 1979, Rational decision making in business organizations, *The American Economic Review*, 69(4), 493-513.
- Weick K.E., 1988, Enacted sensemaking in crisis situations, *Journal of Management Studies*, 25, 305-317
- Weick K.E., 1993, The collapse of sensemaking: The Mann Gulch Disaster, *Administrative Science Quarterly*, 38, 628-652
- Weick K.E., Sutcliffe K.M., Obstfeld D., 2005, Organizing and the process of sensemaking, *Organization Science*, 16 (4), 409-421
- Weick K.E., Sutcliffe K.M., Obstfeld D., 2008. "Organizing for high reliability: Processes of collective mindfulness" (pp. 31-66). In Boin A. (ed), *Crisis Management Vol 3*, SAGE.

Transaction Cost Economics

Specific questions & Aims

Why do firms exist (according to the TCE)? Why is there any organization? What are transaction costs? And where they come from? What are the transaction's attributes that affect the level of transaction costs?

Required readings

- Brouthers, K.D., 2013, "Institutional, cultural and transaction cost influences on entry mode choice and performance", *Journal of International Business Studies*, Vol. 44, No. 1, pp. 1-13
- Poppo, L., Zenger, T. 1998, "Testing Alternative Theories of the Firm: Transaction Cost, Knowledge-Based, and Measurement Explanations for Make-or-Buy Decisions in Information Services", *Strategic Management Journal*, Vol. 19, No. 9 (Sep., 1998), pp. 853- 877
- Williamson O.E., 1985, *The Economic Institutions of Capitalism*, The Free Press, New York, ch. 3, 68-83 [full chapter]**

Further readings

- Argyres, N.S., Liebeskind J.P., 1999, "Contractual commitments, bargaining power, and governance inseparability: incorporating history into transaction cost theory", *Academy of Management Review*, 24, 49-63
- Coase R.H., 1937, The Nature of the Firm, *Economica*, New Series, 4 (16), 386-405 [full article]
- Cuyper, I., Hennart, J.F., Silverman, B., Ertug. G., 2020, "Transaction Cost Theory: Past Progress, Current Challenges, and Suggestions for the Future", *Academy of Management Annals*, Published Online:8 Oct 2020<https://doi.org/10.5465/annals.2019.0051>
- David, R.J. & Han, S.K. 2004. A systematic assessment of the empirical support for transaction cost economics. *Strategic Management Journal*, 25: 39-58.

- Geyskens, I., Steenkamp, J.B.E.M., Kumar, N., 2006, "Make, Buy, or Ally: A Transaction Cost Theory Meta-Analysis", *The Academy of Management Journal*, Vol. 49, No. 3, pp. 519-543
- Parmigiani A., 2007, "Why do firms both make and buy? An investigation of concurrent sourcing", *Strategic Management Journal*, 28, 285-311
- Poppo L, Zenger T., 1998, "Testing alternative theories of the firm: transaction cost, knowledge-based, and measurement explanations for make-or-buy decisions in information services", *Strategic Management Journal* 19(9): 853-877
- Santos, F. M., & Eisenhardt, K.M., 2005, Organizational boundaries and theories of organization. *Organization Science*, 16(5), 491-508.
- Williamson O.E., 1981, "The Economics of Organization: The Transaction Cost Approach", *The American Journal of Sociology*, 87 (3), 548-577 [548-556]

Motivation and people management

Specific questions & Aims

Why the "human side" of the organization is important? What are the determinants of motivation? What are the factors, in a certain work environment, which caused individual's satisfaction or dissatisfaction? Why individuals choose to follow certain courses of action in organizations?

Required readings

- Jiang, K., Lepak, D.P., Hu, J. and Baer, J.C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55, pp. 1264-1294
- Latham, G.P., & Pinder, C.C. (2005). Work motivation theory and research at the dawn of the twenty-first century, *Annual Review of Psychology*, 56(1), 485-516.**
- Richer, S. F., Blanchard, C., & Vallerand, R. J. (2002). A motivational model of work turnover. *Journal of Applied Social Psychology*, 32(10), 2089-2113.

Further readings

- Adams J.S., 1965, "Inequity in social exchange", *Advances in Experimental Social Psychology*, 62, 335-343
- Ambrose M., Kulik C., 1999, Old friends, new faces: Motivation research in the 1990s, *Journal of Management*, 25(3), 231-292
- Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology*, 59(3), 501-528.
- Fisher C., 2010, "Happiness at work", *International Journal of Management Reviews*, 12, 384-412
- Gagné M., Deci E., 2005, Self-determination theory and work motivation, *Journal of Organizational Behavior*, 26, 331-362.
- Herzberg F., 1968, "One more time: how do you motivate employees?", *Harvard Business Review* (reprinted in 2003, January)
- Kehoe, R. R. (2021). Revisiting the Concepts of Vertical and Horizontal Fit in HRM: What We Know, What We Don't Know, and Where We Might Go. *Academy of Management Perspectives*, 35(2), 175-180.
- Lawler E., Porter L., 1967, "The effect of performance on job satisfaction", *Industrial Relations*, 7(1), 20-28
- Lawler E.E., Porter L.W., 1967, "Antecedent attitudes of effective managerial performance", *Organizational Behavior and Human Performance*, 2(2), 122-142

- Lawler E.E., Suttle J.L., 1973, “Expectancy theory and Job Behavior”, *Organizational Behavior and Human Performance*, 2(2), 122-142
- Lengnick-Hall, M. L., Lengnick-Hall, C. A., Andrade, L. S., & Drake, B. (2009). Strategic human resource management: The evolution of the field. *Human Resource Management Review*, 19(2), 64-85.
- Maslow A.H., 1943, “A theory of human motivation”, *Psychological Review*, 50, 370-396

Organization and its Environment: Contingency Theories

Specific questions & Aims

Why are organizations structured the way they are? Do organizations choose their structures? What is the proper alignment or fit between the organization’s structure and its environment? Is there such thing as an optimal structure? Do companies that find the proper fit actually perform better? How do organizations cope with the integration challenges created by horizontal and vertical differentiation and specialization? What is equifinality?

Required readings

- Birkinshaw, J., Nobel, R., Ridderstråle, J., 2002, Knowledge as a Contingency Variable: Do the Characteristics of Knowledge Predict Organization Structure? *Organization Science*, Vol. 13, No. 3, Knowledge, Knowing, and Organizations, pp. 274-289
- Drazin R., Van de Ven A.H., 1985, Alternative forms of fit in contingency theory, *Administrative Science Quarterly*, 30 (4), 514-539.**
- Sine, W.D., Mitsuhashi, H. & Kirsch, D.A., 2006. Revisiting Burns and Stalker: Formal structure and new venture performance in emerging economic sectors. *Academy of Management Journal*, 49, 121-132.

Further readings

- Donaldson L., 1996. “The normal science of structural contingency theory”, in Clegg S., Hardy C., Nord W.R. (Eds.), *Handbook of Organizational Studies*, Sage Publications, London, pp. 57-76
- Hickson D.J., Pugh D.S., Phesey D.C., 1969, “Operations technology and organization structure: an empirical reappraisal”, *Administrative Science Quarterly*, 14 (3), 378-397
- Jones G.R., 2004, “Technical complexity: the theory of Joan Woodward” (pp. 268-274), in *Organizational Theory, Design, and Change*, Pearson Education, Upper Saddle River (NJ)
- Lawrence P, Lorsch J., 1967, Differentiation and integration in complex organizations, *Administrative Science Quarterly*, 12 (1), 1-47
- Orlikowski W.J., 2000, “Using Technology and Constituting Structures: A Practice Lens for Studying Technology in Organizations”, *Organization Science*, 11 (4), 404-428
- Perrow C., 1967, “A Framework for the Comparative Analysis of Organizations”, *American Sociological Review*, 32 (2), 194-208
- Thompson J.D., 1967, *Organization in action*, McGraw-Hill Company, New York (pp. 3-44, 51-61, 66-73)
- Venkatraman N., 1989, “The concept of fit in strategy research: Toward verbal and statistical correspondence”, *Academy of Management Review*, 14 (3), 423-444.

Organizations and Institutions

Specific questions & Aims

What is the role of internal (i.e. managers) and external (i.e. environment) forces in organizational evolution? What are the institutional pressures that shape organizations?

Required readings

- Kostova, T., & Roth, K. (2002). Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects. *Academy of Management Journal*, 45(1), 215-233.
- Pache, A. C., & Santos, F. (2013). Inside the hybrid organization: Selective coupling as a response to competing institutional logics. *Academy of Management Journal*, 56(4), 972-1001.
- Scott, W. R. (2010). Reflections: The past and future of research on institutions and institutional change. *Journal of Change Management*, 10(1), 5-21.**

Further readings

- Besharov, M. L., & Smith, W. K. (2014). Multiple institutional logics in organizations: Explaining their varied nature and implications. *Academy of Management Review*, 39(3), 364-381.
- DiMaggio P., Powell W., 1983, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields", *American Sociological Review*, 48(2), 147-160
- Meyer J.W., Rowan B., 1977, "Institutionalized organizations: formal structure as myth and ceremony", *American Journal of Sociology*, 83(2), 340-363
- Suddaby, R. (2010). Challenges for institutional theory. *Journal of Management Inquiry*, 19(1), 14-20.
- Suddaby, R., Bitektine, A., & Haack, P. (2017). Legitimacy. *Academy of Management Annals*, 11(1), 451-478.
- Zucker L., 1977, "The role of institutionalization in cultural persistence", *American Sociological Review*, 42, 726-743

Organizational Resilience

Specific questions & Aims

In a world in which firms and organizations in general are required to face an increasing number of unpredictable events, organizational resilience has gained interest. What is organizational resilience? What is the relationship between individual and organizational resilience? What factors impact organizational resilience?

Required readings

- DesJardine M., Bansal, P., Yang, Y., 2019, "Bouncing Back: Building Resilience Through Social and Environmental Practices in the Context of the 2008 Global Financial Crisis", *Journal of Management*, Vol. 45 No. 4, 1434-1460
- Marcazzan, E., Campagnolo, D., & Gianecchini, M. (2022). Reaction or anticipation? Resilience in small-and medium-sized enterprises. *Journal of Small Business and Enterprise Development*, 29(5), 764-788.
- Raetze, S., Duchek, S., Maynard, M. T., & Wohlgemuth, M. (2022). Resilience in organization-related research: An integrative conceptual review across disciplines and levels of analysis. *Journal of Applied Psychology*, 107(6), 867.**

Further readings

- Duchek, S. 2018, “Entrepreneurial resilience: a biographical analysis of successful entrepreneurs”, *International Entrepreneurship and Management Journal*, Vol. 14, pp. 429-455,
- Duchek, S. 2020, “Organizational resilience: a capability-based conceptualization”, *Business Research*, Vol. 13, pp. 215-24
- Herbane, B., 2019, “Rethinking organizational resilience and strategic renewal in SMEs”, *Entrepreneurship and Regional Development*, Vol. 31 Nos 5-6, pp. 476-495,
- Linnenluecke, M.K., 2017, “Resilience in business and management research: a review of influential publications and a research agenda”, *International Journal of Management Reviews*, 19(1), 4-30.
- Ortiz-De-Manojana, N., Bansal, P., 2016, “The long-term benefits of organizational resilience through sustainable business practices”, *Strategic Management Journal*, 37: 1615–163
- Santoro, G., Messeni-Petruzzelli, A. and Del Giudice, M., 2021, “Searching for resilience: the impact of employee-level and entrepreneur-level resilience on firm performance in small family firms”, *Small Business Economics*, Vol. 57, pp. 455-471.
- Williams, T.A., Gruber, D.A., Sutcliffe, K.M., Shepherd, D.A. and Zhao, E.Y., 2017, “Organizational response to adversity: fusing crisis management and resilience research stream”, *Academy of Management Annals*, 11(2), 733-769.