

XXXVI CICLO

ORGANIZATION AND MANAGEMENT THEORIES

Term I (October 2020 – November 2020)

Responsible and Coordinator:

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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. At the beginning a particular attention will be placed to the introduction of qualitative and quantitative research approach.

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 presume 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.

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EXAM & EVALUATION

Article presentation & Discussion

40% - Each student will be required to present in front of the class and discuss at least one article assigned by teachers. The article presentation sessions will be organized as follows: at first, one student (*presenter*) will present the article (30-40 minutes) as he would be the author. At the end of the presentation two students (*discussants*), whose role has been assigned at least one week before, will discuss the article. Both the presenter and the discussants are required to highlight the main links with the theoretical concepts presented so far in the course. The article presentation will also help students to familiarize with the methodological issues (i.e. qualitative and quantitative research methods) in organizational theory.

Assignment

60% - Each student will be required to write an original paper based on the literature covered in the course. The paper should present a conceptual/theoretical framework concerning an organizational level question. The paper must present an underlying theoretical rationale and contain the key elements of a theory as discussed in class. Each paper will be presented at the end of the course to the class.

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CLASS SCHEDULE

DATE	HOURS	TOPICS
Thursday 8 Oct 2020	14.00-17.00	Lesson 1 Course Overview Does Organization Theory matter? Cecilia Rossignoli Univr
Thursday 15 Oct 2020	14.30-17.30	Lesson 2 Transaction Cost Economics Cecilia Rossignoli Univr
Thursday 22 Oct 2020	14.30-17.30	Lesson 3 Institutions and Organizations Cecilia Rossignoli Univr Ludovico Bullini Orlandi Univr
Thursday 29 Oct 2020	14.30-17.30	Lesson 4 Contingency theories Decision Making (Basic considerations) Maddalena Sorrentino Unimi
Thursday 5 Nov 2020	14.00-17.00	Lesson 5 Organization in Action: Resource Based View and Business Process Management Alessandro Zardini Univr
Thursday 12 Nov 2020	14.00-17.00	Lesson 6 Sustainig competitive advantage: Form Organization Capability to Dynamic Capabilities. Lapo Mola Univr and Skema
Thursday 26 Nov 2020	14.00-17.00	Lesson 7 Article Presentation Cecilia Rossignoli Univr

COURSE MATERIALS

Lesson 1: Introduction and 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

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Required readings

LOUNSBURY, M., & BECKMAN, C. M. (2015). Celebrating organization theory. *Journal of Management Studies*, 52(2), 288-308.

FAYOL H., 1916, General Principles of Management (ch.12 in Pugh 4th ed) [full chapter]
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]
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]

Further readings

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
SUDDABY R., HARDY C., HUY Q.N., 2011, “Where are the new Theories of Organization?”, *Academy of Management Review*, 36(2), 236–246.
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

Lesson 2. 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

COASE R.H., 1937, “The Nature of the Firm”, *Economica*, New Series, 4 (16), 386-405 [full article]
WILLIAMSON O.E., 1985, *The Economic Institutions of Capitalism*, The Free Press, New York, ch. 3, 68-83 [full chapter]

Further readings

PARMIGIANI A., 2007, “Why do firms both make and buy? An investigation of concurrent sourcing”, *Strategic Management Journal*, 28, 285-311

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- 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
- WILLIAMSON O.E., 1981, “The Economics of Organization: The Transaction Cost Approach”, *The American Journal of Sociology*, 87 (3), 548-577 [548-556]

Lesson 3 Institutions and Organizations

Specific questions & Aims

The importance of institutions (rules, roles, values) for economic prosperity. Institutional systems as crossroads of economic and organizational studies. Different perspectives on organizational institutionalism: old institutionalism, new institutionalism, institutional logics, institutional work. Institutional theories in top journals: recent trends.

Required readings

ROSSIGNOLI, C., & RICCIARDI, F. (2015). Inter-Organizational Relationships. Towards a Dynamic Model for Understanding Business Network Performance (pp. 1–162). Springer International Publishing. [pp. 47-55]

Further readings

HEUGENS, P. P. M. A R., & LANDER, M. W. (2009). Structure! agency! (and other quarrels): A meta-analysis of institutional theories of organization. *Academy of Management Journal*, 52(1), 61–85.

THORNTON, P., & OCASIO, W. (2008). Institutional Logics. In *The Sage Handbook of Organizational Institutionalism* (pp. 99–129).

MANGEMATIN, V., SAPSED, J., & SCHÜBLER, E. (2014). Disassembly and reassembly: An introduction to the Special Issue on digital technology and creative industries. *Technological Forecasting and Social Change*, 83, 1-9.

BLANC, A., & HUAULT, I. (2014). Against the digital revolution? Institutional maintenance and artefacts within the French recorded music industry. *Technological Forecasting and Social Change*, 83, 10-23.

TUMBAS, S., SCHMIEDEL, T., & VOM BROCKE, J. (2015). Characterizing multiple institutional logics for innovation with digital technologies. In *System Sciences (HICSS)*, 2015 48th Hawaii International Conference on (pp. 4151-4160). IEEE.

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Lesson 4. 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

Required readings

CYERT R.M., MARCH J.G., 1963, *A behavioral theory of the firm*, Prentice-Hall (Englewood Cliffs, N.J), chapters 2, 7, 9 (other chapters: optional)
JONES B.D., 2001, "Bounded rationality and public policy: Herbert A. Simon and the decisional foundation of collective choice", *Policy Sciences*, (35), 269-284,

Further readings

CYERT R.M., MARCH J.G., 1963, *A behavioral theory of the firm*, Prentice-Hall (Englewood Cliffs, N.J), other chapters
SIMON H. A., 1978, *Rational Decision Making in Business Organizations*, Nobel Memorial Lecture, 8 December

Supplementary readings

See also: *Organization Science*, Vol. 2, No. 1, Special Issue: Organizational Learning: Papers in Honor of (and by) James G. March, 1991. The Editors' Introduction, written by M.D Cohen and L.S. Sproull, allows you to judge in full cognition of the facts the purpose of the special issue

Lesson 4. 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

DRAZIN R., VAN DE VEN A.H., 1985, "Alternative forms of fit in contingency theory", *Administrative Science Quarterly*, 30 (4), 514-539.
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)

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LAWRENCE P, LORSCH J., 1967, "Differentiation and integration in complex organizations", *Administrative Science Quarterly*, 12 (1), 1-47

Further readings

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

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.

Lesson 5. Resource Based View and Business Process Management

Specific questions & Aims

Objective of the seminar is to investigate the organizational theories that are the foundation and have inspired the Business Process Management. Special attention will be dedicated to the analysis of the evolution that this phenomenon has had over the last 20 years and the influence it has had in the contest of the different approaches to organizational design.

Required readings

DAVENPORT T. H., BEERS M. C., 1995, "Managing information about processes", *Journal of Management information Systems*, 12(1), 57-80.

TRKMAN, P., 2010, "The critical success factors of business process management", *International Journal of Information Management*, 30(2), 125-134.

Further readings

DAVENPORT, T. H., JARVENPAA, S. L., BEERS, M. C., 1996, "Improving knowledge work processes", *Sloan management review*, 37, 53-66.

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VAN DER AALST, W. M., TER HOFSTEDÉ, A. H., WESKE, M., 2003, "Business process management: A survey", in W. M. P. van der Aalst, M. Weske (Eds.), *Business Process Management*, Springer Berlin Heidelberg, 1-12, Germany.

VOM BROCKE J., ROSEMAN M., 2010, "The handbook on business process management 1", Part 1 – Introduction, Springer, 3-37, Germany.

HOUY, C., FETKE, P., LOOS, P., 2010, "Empirical research in business process management—analysis of an emerging field of research", *Business Process Management Journal*, 16(4), 619-661.

ACEDO F.J., C. BARROSO AND J.L. GALAN (2006), "THE RESOURCE-BASED THEORY: DISSEMINATION AND MAIN TRENDS", *STRATEGIC MANAGEMENT JOURNAL*, 27, 621-636.

BARNEY J.B. (1991), "FIRMS RESOURCES SUSTAINED COMPETITIVE ADVANTAGE", *JOURNAL OF MANAGEMENT*, 17 (1): 99-120.

BARNEY J.B. (1996), "THE RESOURCE-BASED THEORY OF THE FIRM", *ORGANIZATION SCIENCE*, VOL.7, N. 5, SEPTEMBER - OCTOBER.

BARNEY J.B. (2001), "IS THE RESOURCE-BASE VIEW A USEFUL PERSPECTIVE FOR STRATEGIC MANAGEMENT RESEARCH? YES", *ACADEMY OF MANAGEMENT REVIEW*, VOL.26, N.1, 41-56.

WERNERFELT B. (1984), "A Resource-based View of the Firm", *Strategic Management Journal*, 5, 171-180.

Lesson 6. Sustaining competitive advantage: From Organization Capability to Dynamic capabilities.

Specific questions & Aims

Objective of the seminar is to intend to provide an advanced understanding of how firms can create value in changing environments. Past dominant theories in the Organization and Strategy field were particularly concerned about explaining how firms can achieve sustainable competitive advantage. However, a number of recent studies began to show that sustainable competitive advantage is rare and declining in its duration. As environments become more dynamic, unpredictable, uncertain, and ambiguous (that is, when exogenous and endogenous shocks are more common), firms struggle not only to achieve a competitive advantage but often just to survive. Thus, a challenging question arises: How can firms successfully cope with such environments?

Required readings

GRANT, R. M. (1996). prospering in dynamically-competitive environments: ORGANIZATIONAL CAPABILITY AS KNOWLEDGE INTEGRATION. *ORGANIZATION SCIENCE*, 7(4), 375-387.

BARRETO, I. (2010). DYNAMIC CAPABILITIES: A REVIEW OF PAST RESEARCH AND AN AGENDA FOR THE FUTURE, *JOURNAL OF MANAGEMENT*, 36(1): 256-280.

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EISENHARDT, K. M., & MARTIN, J. A. (2000). DYNAMIC CAPABILITIES: WHAT ARE THEY? STRATEGIC MANAGEMENT JOURNAL, 22: 1105-1121

TEECE, D. J. (2007). EXPLICATING DYNAMIC CAPABILITIES: THE NATURE AND MICROFOUNDATIONS OF (SUSTAINABLE) ENTERPRISE PERFORMANCE. STRATEGIC MANAGEMENT JOURNAL, 28: 1319-1350.

TEECE, D. J., PISANO, G., & SHUEN, A. (1997). DYNAMIC CAPABILITIES AND STRATEGIC MANAGEMENT. STRATEGIC MANAGEMENT JOURNAL, 18: 509-533.

WINTER, S. G. (2003). UNDERSTANDING DYNAMIC CAPABILITIES. STRATEGIC MANAGEMENT JOURNAL, 24: 991-995.

Lesson 7 Article presentation