

# **ORGANIZATION THEORY**

Syllabus (2025)

**Jun Xia**

OB 7300.001: Mondays: 1:00pm - 3:45pm

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## **COURSE DESCRIPTION**

This course is an introduction to the major theoretical perspectives and ongoing debates within organization theory. The theoretical topics covered rely upon original sources (journal articles and books) as well as upon secondary sources (review articles and books). With this roadmap in hand, you should be well prepared to generate original research ideas that advance the discourse in your chosen area. You will be challenged to develop your own criteria to evaluate, critique, and synthesize existing research.

## **COURSE REQUIREMENTS**

Because this course is a seminar, most of the action takes place during class discussion. All participants should show up prepared to discuss the readings. The success of this class depends strongly on your active engagement with these readings throughout the semester. Good papers we read will not only teach us about their topics but also teach about the craft of doing great research. Take a clear and perhaps provocative position in discussions of the readings and be prepared to debate your conclusions with others!

At the end of the first session, we will select discussants for the following weeks. You may begin to think about what streams of organization theory might interest you in particular.

## **STUDENT DISCUSSANTS**

Students will act as discussants each week. The job of a discussant is to highlight the main issues in the readings for the week, clarify the main points of any debates that come up, and direct the discussion around these issues and debates. Good discussants will deliver an opener that does the following:

- Integrates the readings using an analytical framework
  - Use PowerPoint slides
  - No summaries of the readings!
  - Diagrams or tables are helpful
- Identifies and makes explicit the commonalities and differences in implicit assumptions that underlie the various readings
  - Analytical narrative is permitted, but keep it short
- Where possible, exposes theoretical gaps with suggest avenues for development beyond the readings
  - Conclude with a set of questions that we will debate and discuss

## RESEARCH PAPER

The goal for this assignment is that you develop a term paper that gives you practice in writing a dissertation proposal. Term papers are to resemble the front end of an empirical research paper, with theoretical development, hypotheses, a sketch of a methods section, and discussions of anticipated contributions. Note that this does not include any requirement for data collection or analysis -- that may come later after the completion of the course.

## PAPER REVIEW

As part of this course, we will engage in a review process where you review (blindly) each other's papers. Accordingly, there will be several interim deliverables with the final product being due during the exam period. Instructions for the review process will be given as we approach that time.

## GRADING

Class participation (discussions, presentations, peer reviews) 40%

Term paper 60%

## SCHEDULE

<u>Order</u>	<u>Date</u>	<u>Day</u>	<u>Session</u>	<u>Topics</u>
1	27-Jan	M	1	Introduction: see session details below
2	3-Feb	M	2	
3	10-Feb	M	3	
4	17-Feb	M	4	
5	24-Feb	M	5	
6	3-Mar	M	6	
7	10-Mar	M		Presentation 1 / paper discussions
8	17-Mar	M		Presentation 2 / paper discussions
9	24-Mar	M	7	
10	31-Mar	M	8	
11	7-Apr	M	9	First draft due and peer evaluation
12	14-Apr	M	10	
13	21-Apr	M		Presentation 3 / paper discussions
14	28-Apr	M		Presentation 4 / paper discussions
15	5-May	M		Reading day
16	12-May	M		Paper due

## SESSION OVERVIEW

### Section 1: Research on organizational theory

- Sutton, Robert I. and Staw, Barry M. 1995. What theory is not. *Administrative Science Quarterly*, 40, 3, 371-384.
- Weick, Karl E. 1995. What theory is not, theorizing is. *Administrative Science Quarterly*, 40, 3, 385-390.
- DiMaggio, Paul J. 1995. Comments on “What theory is not”. *Administrative Science Quarterly*, 40, 3, 391-397.

### Session 2: Overview of the fields

- Shapira, Z. 2011. “I’ve got a theory paper—Do you?”: Conceptual, empirical, and theoretical contributions to knowledge in the organizational sciences. *Organization Science*, 22: 1312–1321.
- Davis, M. S. 1971. That is interesting. *Philosophy of Social Sciences*, 1: 309-344.
- Colquitt, J. A., and Zapata-Phelan, C. P. 2007. Trends in theory building and theory testing: A five-decade study of the Academy of Management Journal. *Academy of Management Journal*, 50, 1281-1303.
- Davis, G. F., and Powell, W. W. 1992. Organization-environment relations. In M. D. Dunette and L. M. Hough (Eds.), *Handbook of industrial and organizational psychology*: 315-376. Palo Alto, CA: Consulting Psychologists Press.

### Session 3: Resource Dependence and Power I

- Emerson, R.M. 1962. Power-dependence relations. *American Sociological Review*, 27: 31-41.
- Pfeffer J. 1972. Merger as a response to organizational interdependence. *Administrative Science Quarterly* 17: 218-228.
- Finkelstein, S. 1997. Interindustry merger patterns and resource dependence: A replication and extension of Pfeffer (1972). *Strategic Management Journal* 18: 787-810.
- Casciaro, T. and Piskorski, M.J. 2005. Power imbalance, mutual dependence and constraint absorption: A closer look at resource dependence theory. *Administrative Science Quarterly*, 50: 167-199.
- Gulati R, Sytch M. 2007. Dependence asymmetry and joint dependence in interorganizational relationships: effects of embeddedness on a manufacturer’s performance in procurement relationships. *Administrative Science Quarterly* 52: 32-69.

### Session 4: Resource Dependence and Power II

- Hillman AJ, Withers MC, Collins BJ. 2009. Resource dependence theory: A review. *Journal of Management* 35: 1404-1427.
- Cowen, A. P. & Marcel, J.J 2011. Damaged Goods: Board decisions to dismiss reputationally compromised directors. *Academy of Management Journal*, 54(3): 509–527.
- Hillman, A. J., Shropshire, C., and Cannella, A. A. 2007. Organizational predictors of women on corporate boards. *Academy of Management Journal*, 50: 941-952.

- Finkelstein, S. 1992. Power in top management teams: Dimensions, measurement, and validation. *Academy of Management Journal*, 35: 505-538.
- Wry, T., Cobb, J. A., and Aldrich, H. E. 2013. More than a metaphor: Assessing the historical legacy of resource dependence and its contemporary promise as a theory of environmental complexity. *Academy of Management Annals*, 7: 439–486.

#### Recommended readings

- Pfeffer, J. 2003. Introduction to the classic edition. In J. Pfeffer & G. R. Salancik, *The external control of organizations: A resource dependence perspective* (pp. xi-xxx). Stanford, CA: Stanford University Press.
- Davis, G.F. and Cobb, J.A. 2010. Resource dependence theory: Past and future. *Research in the Sociology of Organizations*, 28: 21–42.

### **Session 5: Institutional Theory I (Isomorphism)**

- Meyer and Rowan, 1977. Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology*, 83: 340-63.
- DiMaggio, P., and Powell, W.W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48: 147-160.
- Heugens, P.P.M.A.R. and 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.
- Fiss, P.C. and E.J. Zajac. 2004. The diffusion of ideas over contested terrain: the (non)adoption of a shareholder value orientation among German firms. *Administrative Science Quarterly* 49: 501-534.
- Sanders, W. G., & Tuschke, A. 2007. The adoption of institutionally contested organizational practices: The emergence of stock option pay in Germany. *Academy of Management Journal*, 50 (1), 33-56.

#### Recommended readings

- Tolbert, P.S., Zucker, L. 1983. Institutional sources of change in the formal structure of organizations: The diffusion of civil service reform, 1880-1935. *Administrative Science Quarterly*, 30: 22-39.
- Mizruchi, M.S. and Fein, L.C. 1999. The social construction of organizational knowledge: a study of the uses of coercive, mimetic, and normative isomorphism. *Administrative Science Quarterly*, 44: 653-683.

### **Session 6: Institutional Theory II (change, logic, and deinstitutionalization)**

- Greenwood, R., Suddaby, R. and Hinings, C.R. 2002. Theorizing change: the role of professional associations in the transformation of institutionalized fields. *Academy of Management Journal* 45(1): 58-80.
- Kraatz, M. S., & Moore, J. H. 2002. Executive migration and institutional change. *Academy of Management Journal*, 45(1), 120-143.

- Ahmadjian, Christona L., and Patricia Robinson. 2001. Safety in numbers: downsizing and the deinstitutionalization of permanent employment in Japan. *Administrative Science Quarterly* 46: 622-654.
- Thornton P.H. 2002. The rise of the corporation in a craft industry: Conflict and conformity in institutional logics. *Academy of Management Journal*, 45: 81–101.
- Lounsbury, M. 2007. A tale of two cities: Competing logics and practice variation in the professionalizing of mutual funds. *Academy of Management Journal*, 50: 289–307.

### **Session 7: Population Ecology**

- Hannan, M.T., and Freeman, J. 1984. Structural inertia and organizational change. *American Sociological Review*, 49: 149-164.
- Amburgey, T., Kelly, D. and Barnett, B. 1993. Resetting the clock: The dynamics of organizational change and failure. *Administrative Science Quarterly*, 38: 51-73.
- Baum, J. and Mezias, S. 1992. Localized competition and organizational failure in the Manhattan hotel industry, 1898-1990. *Administrative Science Quarterly*, 37: 580-604.
- Li, J., Yang, J.Y., and Yue, D.R. 2007. Identity, community, and audience: How wholly owned foreign subsidiaries gain legitimacy in China. *Academy of Management Journal* 50(1): 175-190.
- Fischer, H.M. and Pollock, T.G. 2004. Effects of social capital and power on surviving transformational change: The case of initial public offerings. *Academy of Management Journal*, 47: 463-481.

#### **Recommended readings**

- Hannan, M.T., and Freeman, J. 1977. The population ecology of organizations. *American Journal of Sociology*, 82: 929-964.
- Xu, D., Lu, J. W., and Gu, Q. 2014. Organizational forms and multi-population dynamics. *Administrative Science Quarterly*, 59(3): 517–547.

### **Session 8: Transaction Cost and Agency Problem**

- Williamson, O.E. 1979. Transaction-cost economics: The governance of contractual relations. *Journal of Law and Economics*, 22(2), 233-261.
- David, R., and Han, S.K. 2004. A systematic assessment of the empirical support for transaction cost economics. *Strategic Management Journal*, 25: 39-58.
- Eisenhardt, K. 1989. Agency theory: An assessment and review. *Academy of Management Review*, 14: 57-74.
- Davis, G.F. 1991. Agents without principles? The spread of the poison pill through the intercorporate network. *Administrative Science Quarterly*. 36: 583-613.
- Hillman, A. J., and Dalziel, T. 2003. Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, 28: 383-396.

#### **Recommended readings**

- Jensen, M., and Meckling, W. 1976. Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics*, 3: 305-360.

Williamson, O. 1981. The economics of organization: The transaction cost approach. *American Journal of Sociology*, 87: 548-577.

### **Session 9: Stakeholder, Stewardship, Signaling, and Contingency Theory**

Donaldson, T. and Preston, L. 1995. The stakeholder theory of the modern corporation: Concepts, evidence and implications. *Academy of Management Review*, 20, 65-91.

Davis, J.H., Schoorman, F.D., and Donaldson, L. 1997. Toward a stewardship theory of management. *Academy of Management Review*, 22, 20-47.

Vasudeva, G., Nachum, L., & Say, G.-D. 2018. A signaling theory of institutional activism: How Norway's sovereign wealth fund investments affect firms' foreign acquisitions. *Academy of Management Journal*, 61(4): 1583-1611.

Martin, X., Swaminathan, A., and Mitchell, W. 1998. Organizational evolution in the interorganizational environment: Incentives and constraints on international expansion strategy. *Administrative Science Quarterly*, 43: 566-601.

Schoonhoven, C. B. 1981. Problems with contingency theory: Testing assumptions hidden within the language of contingency theory. *Administrative Science Quarterly*, 26: 349-377.

#### **Recommended readings**

Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. 2011. Signaling theory: A review and assessment. *Journal of Management*, 37(1), 39-67.

### **Session 10: Learning, Information, and Stigma Theories**

Gupta, A.K. Smith, K.G. and Shalley, C.E. 2006. The interplay between exploration and exploitation. *Academy of Management Journal*, 49: 693-706.

Zhang, Y., Li, Y., & Li, H. 2014. FDI spillovers over time in an emerging market: The role of entry tenure and barriers to imitation. *Academy of Management Journal*, 57(3): 698-722.

Lieberman, M. B., & Asaba, S. 2006. Why Do Firms Imitate Each Other? *Academy of Management Review*, 31: 366-385.

Haunschild, P. R., and Beckman, C. M. 1998. When do interlocks matter? Alternate sources of information and interlock influence. *Administrative Science Quarterly*, 43(4): 815-844.

Devers, C. E., Dewett, T., Mishina, Y., & Belsito, C. A. 2009. A general theory of organizational stigma. *Organization Science*, 20, 154-171

#### **Additional readings: Research design, data collection, and methodology**

Hu, SC., Qian, G., and Xia, J. (forthcoming). Problemistic search of the embedded firm: Influences of network positions on firms' responses to performance feedback. *Organization Science*.

Qiao, K. and Xia, J., (forthcoming) How Imprints Transcend Era and Terra: A Study of Firms' Controversial History and Present-Day Foreign Market Entry. *Journal of Management Studies*.

Xia, J., Jiang, Y., Wang, H., and Li, Y. (forthcoming). Rule violation and time-to-enforcement in weak institutional environments: A good faith perspective. *Journal of Management*.

- Li, J., Xia, J., Zajac, E., and Lin, Z. (forthcoming) Have a Go or Lay Low? Predicting Firms' Rhetorical Commitment Versus Avoidance in Response to Polyethnic Governmental Pressures. *Journal of Management Studies*.
- Jiang, H., Xia, J., Devers, C., and Shen, W. 2021. Who will board a sinking ship? A firm-director interdependence perspective of mutual selection between declining firms and director candidates. *Academy of Management Journal*. 64(3): 901-925.
- Li, T., Wang, H., Xia, J. 2020. Stakeholder preservation or appropriation? The influence of target CSR on market reactions to acquisition announcements. *Academy of Management Journal*. 63(5): 1535–1560.
- Xia, J., Yu, J. and Lin, Y. 2019. Periphery, Overlap, and Subunit Exit in Multiunit Firms: A Subunit Power Perspective. *Journal of Management*. 45(3): 881-908.
- Gong, Y., Zhang, Y. and Xia, J. 2019. Do Firms Learn More from Small or Big Successes and Failures? A Test of the Outcome-Based Feedback Learning Perspective. *Journal of Management*. 45(3): 1034-1056.
- Xia, J., Wang, Y., Lin, Y., Yang, H. and Li, S. 2018. Alliance formation in the midst of market and network: Insights from resource dependence and network perspectives. *Journal of Management*. 44(5): 1899-1925.
- Jiang, H., Xia, J., Cannella, B., and Xiao, T. 2018. Do ongoing networks block out new friends? Reconciling the embeddedness constraint dilemma on new alliance partner addition. *Strategic Management Journal*. 39(1): 217–241.
- Li, J., Xia, J., and Zajac, E. 2018. On the duality of political and economic stakeholder influence on firm innovation performance: Theory and evidence from Chinese firms. *Strategic Management Journal*. 39(1): 193–216.
- Zheng, Y. and Xia, J. 2018. Resource dependence and network relations: A test of venture capital investment termination in China. *Journal of Management Studies*. 55(2): 295–319.
- Jiang, H., Cannella, B. Xia, J. and Semadeni, M.B. 2017. Choose to fight or choose to flee? Resolving a dilemma of executive ship jumping in declining firms. *Strategic Management Journal*. 38(10): 1951-2142.
- Li, J., Xia, J., and Lin, Z. 2017. Cross-border acquisitions by state-owned investors: How do legitimacy concerns affect the completion and duration of their acquisitions? *Strategic Management Journal*, 38(9): 1915-1934.
- Xia, J., Dawley, D., Ma, R., Jiang, H. and Boal, K. 2016. Resolving a dilemma of signaling bankrupt-firm emergence: A dynamic integrative view. *Strategic Management Journal*, 37(8): 1754-1764.
- Xia, J., Ma, X., Lu, J., and Yiu, D. 2014. Outward foreign direct investment by emerging market firms: A resource dependence logic. *Strategic Management Journal*, 35(9): 1343–1363.
- Xia, J. and Li, S. 2013. The divestiture of acquired subunits: A resource dependence approach. *Strategic Management Journal*, 34(1): 131-148 (lead paper).
- Xia, J. 2011. Mutual dependence, partner substitutability, and repeated partnership: The survival of cross-border alliances. *Strategic Management Journal*, 32(3): 229-253 (lead paper).
- Xia, J., Boal, K., and Delios, A. 2009. When experience meets national institutional environmental change: Foreign entry attempts of U.S. firms in eleven transition economies. *Strategic Management Journal*, 30(12): 1286-1309.
- Xia, J., Tan, J., and Tan, D. 2008. Mimetic entry and bandwagon effect: The rise and decline of international equity joint venture in China. *Strategic Management Journal*, 29(2): 195-217.