

RSM 3091. Economic Sociology and Strategy

Winter 2016; Friday, 12-3pm

Rotman 7024

András Tilcsik

Course overview

The goal of this course is to expose students to some of the most important theoretical paradigms and empirical findings in the field of economic sociology, a vibrant area of research that applies a distinct sociological perspective to economic phenomena. The course focuses on core themes in economic sociology and also considers their relevance for strategic management research. Some of economic sociology's insights deeply permeate contemporary strategy scholarship and remain highly influential; other ideas from the field have received less attention from strategy scholars and thus represent important opportunities for enriching strategic management research.

Course requirements and evaluation

Participation (35% of grade): This course is run as a seminar. I expect students to participate actively and contribute to an engaged and constructive discussion. Before each class you must carefully read and think about the assigned readings. Come to class prepared to discuss the core arguments presented in the readings, as well the connections and differences between a particular reading and other readings in the same week and in previous weeks. One student will be randomly selected to lead the discussion of each text. Students leading discussion should provide a brief description of the text (i.e., its research question and core arguments and/or main findings) as well as a balanced critique (i.e., both strengths and limitations). After discussing each text individually, class members will integrate the week's readings together to identify common themes, critical differences, limitations, and future research opportunities.

Term paper (65% of grade) A term paper is the final requirement for the course. It should be approximately 10-15 pages in length and should take the form of a research proposal that engages with one of the topics covered in the course. It should incorporate ideas from a number of readings in the course but also draw on additional work from pertinent literatures. In essence, it should consist of the front end of a research paper including: a well-motivated and clearly stated research question, a theoretical framework and set of predictions for investigating that question, and a realistic and suitable research design and (if applicable) an appropriate sampling and modeling approach. Please do not hesitate to talk to me at any time about potential ideas and additional relevant literatures for your term paper. This assignment will be structured in the following steps:

Before February 26: Meet with me to discuss possible topics. It is your responsibility to schedule this meeting in advance, and you should come prepared to discuss preliminary ideas and potential topics, as well as any questions you might have.

March 11: A short (2-3 pages) outline of the paper is due by email. This outline should focus on clearly stating your research question and the motivation behind it (i.e., potential contributions) and then provide a brief sketch of what you plan to do in the various sections of your paper.

April 8: You will give a conference-style presentation of your paper in class.

April 15: The final paper (hard copy) is due. No late assignments will be accepted.

Readings

Readings are listed in the order in which it may be most useful to read them.

Readings are available either in the course dropbox (labeled **Dropbox**) or (if unlabeled) through digital libraries of the U of T library system.

1. January 15: Introduction

1. Dobbin, Frank. 2004. "The Sociological View of the Economy" in *The New Economic Sociology: A Reader*. Princeton, NJ: Princeton University Press. [Note: Read pp. 1-11 and pp. 38-42, and skim the rest.] (**Dropbox**)

2. Gibbons, Robert. 2005. "What is Economic Sociology and Should any Economists Care?" *The Journal of Economic Perspectives*, 19: 3-7. [Note: This is an introduction to a symposium titled "Sociology and Economics" published in *JEP* in 2005 (Vol. 19, No. 1); if any of the articles described in the introduction catch your interest, don't hesitate to find them in the same issue of *JEP*.]

2. January 22: Institutions

1. Weber, Max. 1930. *The Protestant Ethic and the Spirit of Capitalism*. (Excerpts). (**Dropbox**)

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

3. Dobbin, Frank. 1994. *Forging Industrial Policy: The United States, Britain, and France in the Railway Age*. New York: Cambridge University Press. Chapters 1 and 5, pp. 1-27 and 213-231. (**Dropbox**)

4. Scott, W. Richard. "Crafting an Analytic Framework I: Three Pillars of Institutions," Pp. 55-85 in W. Richard Scott, *Institutions and Organizations: Ideas and Interests*. Thousand Oaks, CA: Sage. (**Dropbox**)

3. January 29: Constructing Customs and Markets

1. Berger, Peter L., and Thomas Luckman. 1966. *The Social Construction of Reality*. (Excerpts). (**Dropbox**)

2. Zelizer, Viviana A. 1978. "Human Values and the Market: The Case of Life Insurance and Death in 19th-century America." *American Journal of Sociology*, 84: 591-610.

3. Mitchel Abolafia. 1996. *Making Markets: Opportunism and Restraint on Wall Street*. Cambridge, Mass.: Harvard University Press. (Excerpts.) **(Dropbox)**

4. MacKenzie, Donald, and Yuval Millo. 2003. "Constructing a Market, Performing Theory: The Historical Sociology of a Financial Derivatives Exchange." *American Journal of Sociology*, 109: 107-145.

4. February 5: Social Structure

1. Durkheim, Émile. 1933. *The Division of Labor in Society*. Excerpts. **(Dropbox)**

2. Simmel, Georg. 1908 [1971]. "The Stranger." Pp. 143-150 in Georg Simmel: *On Individuality and Social Forms*, edited by Donald N. Levine. Chicago: University of Chicago Press. **(Dropbox)**

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

4. Phillips, Damon J. 2011. "Jazz and the Disconnected: City Structural Disconnectedness and the Emergence of a Jazz Canon, 1897–1933." *American Journal of Sociology*, 117: 420-483.

5. February 12: Social Structure (continued)

1. Coleman, J. S. 1988. "Social Capital in the Creation of Human Capital." *American Journal of Sociology*, 94: S95-S120.

2. Burt, Ron. 1992. *Structural Holes: The Social Structure of Competition*. Cambridge: Harvard University Press. (Excerpts.). **(Dropbox)**

3. Padgett, John F., and Christopher K. Ansell. 1993. "Robust Action and the Rise of the Medici, 1400-1434." *American Journal of Sociology*, 98: 1259-1319.

4. Podolny, Joel M. 2001. "Networks as the Pipes and Prisms of the Market." *American Journal of Sociology*, 107: 33-60.

February 19: Reading Week – No Class

6. February 26: Constructing Contributions

Note: This week—roughly halfway through the course—we will take a break from reading economic sociology and devote an entire class to scholarly writing, especially the construction and "framing" of contributions. In preparation for this class, instead of the usual weekly memos, you will complete an exercise to help you become a more conscious and effective scholarly writer.

1. Locke, Karen, and Karen Golden-Biddle. 1997. "Constructing opportunities for contribution: Structuring intertextual coherence and 'problematizing' in organizational studies." *Academy of Management Journal*, 40: 1023-1062.

2. Zuckerman, Ezra W. "Tips to Article-Writers." 2008. MIT Sloan School of Management. <http://web.mit.edu/ewzucker/www/Tips%20to%20article%20writers.pdf>

3. Tilcsik, András. 2013. "Constructing Contributions: A Writing Exercise." (*Dropbox*)

7. March 4: Power

1. Marx, Karl. 1978. "The German Ideology." (Excerpts). (*Dropbox*)

2. Fligstein, Neil. 1990. "The Transformation of Corporate Control." (Excerpts.) (*Dropbox*)

3. Sauder, Michael, and Wendy N. Espeland. 2009. "The Discipline of Rankings: Tight Coupling and Organizational Change." *American Sociological Review*, 74: 63-82.

4. Dobbin, Frank, and John R. Sutton. 1998. "The Strength of a Weak State: The Rights Revolution and the Rise of Human Resources Management Divisions." *American Journal of Sociology*, 104: 441-476.

8. March 11: Power (continued)

1. Marsden, Peter. 1983. "Restricted Access in Networks and Models of Power." *American Journal of Sociology*, 88: 686-717.

2. Fernandez, Roberto M., and Roger V. Gould. 1994. "A Dilemma of State Power: Brokerage and Influence in the National Health Policy Domain." *American Journal of Sociology*, 99: 1455-1491.

3. Reagans, Ray E., and Ezra W. Zuckerman. 2008. "Why Knowledge Does Not Equal Power: The Network Redundancy Trade-off." *Industrial and Corporate Change*, 17: 903-944.

4. Thornton, Patricia H., and William Ocasio. 1999. "Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958-1990." *American Journal of Sociology*, 105: 801-843.

9. March 18: Inequality and Stratification

1. Grusky, David B., and Katherine Weisshaar (eds). 2014. *Social Stratification: Class, Race, and Gender in Sociological Perspective* (4th edition), Boulder: Westview Press.

2. Baron, James N. and William T. Bielby. 1980. "Bringing the Firms Back in: Stratification, Segmentation, and the Organization of Work." *American Sociological Review*, pp.737-765.

3. Rivera, Lauren. 2012. "Hiring as Cultural Matching: The Case of Elite Professional Service Firms." *American Sociological Review* 77:999-1022.

4. Dobbin, Frank, Daniel Schrage, and Alexandra Kalev. 2015. "Rage against the Iron Cage: The Varied Effects of Bureaucratic Personnel Reforms on Diversity." *American Sociological Review* 80:1014-1044.

10. March 25: Stigma

1. Goffman, Erving. *Stigma: Notes on the Management of Spoiled Identity*. New York: Simon & Schuster. (Excerpts.) (**Dropbox**)
2. Elizabeth Pontikes, Giacomo Negro and Hayagreeva Rao. 2010. "Stained Red: A Study of Stigma by Association to Blacklisted Artists During the "Red Scare" in Hollywood, 1945 to 1960." *American Sociological Review*, 75: 456-78.
3. Devers, C. E., Dewett, T., Mishina, Y., & Belsito, C. A. 2009. "A General Theory of Organizational Stigma." *Organization Science*, 20: 154-171.

11. April 1: Culture, Complexity, Catastrophe

1. Perrow, Charles. 1984. *Normal Accidents: Living With High Risk Technologies*. Princeton, NJ: Princeton University. (Excerpts). (**Dropbox**)
2. Downer, J., 2011. "'737-Cabriole': The Limits of Knowledge and the Sociology of Inevitable Failure." *American Journal of Sociology*, 117: 725-762.
3. Vaughan, D. 1996. "The Challenger Launch Decision: Risky Technology, Culture and Deviance at NASA." Chicago: University of Chicago Press. (Excerpts). (**Dropbox**)
4. Vaughan, D., 1999. "The Dark Side of Organizations: Mistake, Misconduct, and Disaster." *Annual Review of Sociology*, 25: 271-305. [Focus on the sections on "Mistake" and "Misconduct."]

12. April 8: Conclusion and Presentations

No readings.