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Fall 2016

Office: 484 Barrows

Office Hours: Friday 12:30-2 pm

Class: Friday, 2-5

Class: 12 Haviland Hall

Sociology 119S
Organizational Strategy and Design: A Sociological Perspective
Department of Sociology, UC-Berkeley

Department description: Organizations face a rapidly changing external environment that make sustaining a competitive advantage and success more tenuous. Firms that were successful last year may no longer be as successful. This course uses a sociological lens to examine how organizational strategy and design influence organizational success. We begin with a brief history of strategy, its emergence and roots in sociology and business, and then we review classic and contemporary models and theories. Since Sociology and business management have each contributed towards organizational strategy and design, we critically examine both perspectives by continually juxtaposing them throughout the course. Some of the topics that we will cover include the following: history of strategy, the internal and external context of organizations, developing a competitive advantage, why firms are similar, why firms are different, competing in a global environment, alignment of organizational design with strategy, organizational ambidexterity, blue ocean strategy, and organizational status/reputation.

Why are some firms more successful than others? Why do some firms compete successfully and then lose their competitive edge? This course examines these questions by examining organizational strategy and design. We begin with a brief history of strategy, its emergence and roots in sociology and business. Sociology and Business have each contributed towards strategy and organization design, but usually from different perspectives. Therefore, business strategy and sociology perspectives are juxtaposed throughout the course to deepen our analysis of the field. The course presents some of the 'classic' perspectives (e.g. Porter, Carroll, DiMaggio and Powell) and also includes more current perspectives (e.g. blue ocean strategy, ambidextrous organizations, organizational status and reputation).

Note: The readings for this course are primarily academic journal articles.

Required Reading

1) A Reader with most of the readings/articles will made available at *University Copy Service*, 2425 Channing Way (West of Telegraph, two blocks South of corner of Telegraph and Bancroft) during the second week of classes, phone: 510-549-2335. (Hours: 8:30 AM to 7: 00 PM (M-F), 11:00 AM – 5:00 PM (Saturday), Closed on Sunday. If possible, I will also place two copies of the Reader on reserve at Moffitt Library.

2) A Harvard Business School Publishing (HPSP) 'coursepack'. You will be able to purchase this when I send you an email with a link for the 'coursepack'; be sure to use the link I send to receive the discount on the strategy core curriculum articles (from HBSP's Core Curriculum collection on Strategy). I will also post the link to bcourse.

[Tentative: If a business strategy simulation is feasible, it will be substituted for a session or an assignment. There will be a small fee charged by the publisher.]

Suggested Reading

Since this is a course on strategy and organization design, staying current with business practices and events through the Wall Street Journal, New York Times, SF Chronicle (Business Section), and other business periodicals (Fortune, Forbes, Businessweek, etc.), will facilitate your grasp of the material in this course.

Course Inquiries

If you have any questions or concerns about the course, please feel free to contact me during my office hours (Friday, 12:30-2), send me an email (sjflatt2012@gmail.com), or phone if it is urgent (415-381-7217).

Evaluation

	Pct	Points
Midterm Quiz (T/F)	5%	10
Final Exam (Take Home)	25%	50
Class Exercises	10%	20
Essay 1	20%	40
Essay 2	20%	40
Essay 3	20%	40
Total	100%	200

Bonus: Class Participation (up to) 5% 10

Group Exercises: There will also be small group exercises at selected sessions for you to work through a problem. Your group will receive points as a group for participation and satisfactory completion of the exercise/problem.

Three (3) Essays: A response to question or questions (posted at least one week before it is due) about assigned readings. Higher scores will go to those who are able to incorporate prior readings as part of their essay. There are three (3) essays. Format for essays are 3-4 pages, double-spaced, one inch margins, Times New Roman and 12 font. Appropriate citations with references are expected; the list of references on the last page does not count towards your 4 page limit. A thoughtful, well organized and focused essay is expected. These essays are due at the beginning of the class. No essays will be accepted after the due date without prior approval. Exceeding the page limit may lead to point deductions.

Class Participation: Your participation in class is important as contributions to class discussions. Come prepared to respond to questions I raise in class and to pose questions about the readings. This is an opportunity to earn bonus points for the course.

Attendance: Your presence in class reflects your commitment to the course and will facilitate your grasp of the course material. Missing more than two sessions (excused or unexcused) will negatively impact your overall grade.

Listed below is the University of California, Berkeley, Honor Code:
(For further information see: www.asuc.org/honorcode/)

The student community at UC Berkeley has adopted the following Honor Code:

“As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others.” The hope and expectation is that you will adhere to this code.

Collaboration and Independence: Reviewing lecture and reading materials and studying for exams can be enjoyable and enriching things to do with fellow students. This is recommended. However, unless otherwise instructed, homework assignments are to be completed independently and materials submitted as homework should be the result of one’s own independent work.

Cheating: A good lifetime strategy is always to act in such a way that no one would ever imagine that you would even consider cheating. Anyone caught cheating on a quiz or exam in this course will receive a failing grade in the course and will also be reported to the University Center for Student Conduct. In order to guarantee that you are not suspected of cheating, please keep your eyes on your own materials and do not converse with others during the quizzes and exams.

Plagiarism: To copy text or ideas from another source without appropriate reference is plagiarism and will result in a failing grade for your assignment and usually further disciplinary action. For additional information on plagiarism and how to avoid it, see, for example: <http://gsi.berkeley.edu/teachingguide/misconduct/prevent-plag.html>

Academic Integrity and Ethics: Cheating on exams and plagiarism are two common examples of dishonest, unethical behavior. Honesty and integrity are of great importance in all facets of life. They help to build a sense of self-confidence, and are key to building trust within relationships, whether personal or professional. There is no tolerance for dishonesty in the academic world, for it undermines what we are dedicated to doing – furthering knowledge for the benefit of humanity.

Your experience as a student at UC Berkeley is hopefully fueled by passion for learning and replete with fulfilling activities. And we also appreciate that being a student may be stressful. There may be times when there is temptation to engage in some kind of cheating in order to

improve a grade or otherwise advance your career. This could be as blatant as having someone else sit for you in an exam, or submitting a written assignment that has been copied from another source. And it could be as subtle as glancing at a fellow student's exam when you are unsure of an answer to a question and are looking for some confirmation. One might do any of these things and potentially not get caught. However, if you cheat, no matter how much you may have learned in this class, you have failed to learn perhaps the most important lesson of all.

CLASS SCHEDULE

(NOTE: I reserve the right to adjust/shift readings and assignments as needed.)

Session 1: August 26, 2016

Topics: Introduction to course, review syllabus, overview on the history of strategy

- 1) Kiechel (2010), *The Lords of Strategy*, ch 1, Strategy as a case to be cracked, pp. 1-12, Harvard Business Press.
- 2) Collis and Rukstad, Can you say what your strategy is? *Harvard Business Review*, April 2008.

Session 2: September 2, 2016

Topic: Introduction to Business Strategy and a Sociological Overview

- 1) **HBSP Coursepack: Casadesus-Masanell, Core Curriculum: Strategy: Setting Aspirations—Mission, Vision, and Values.
- 2) Ruef, M. (2003), A sociological perspective on strategic organization, *Strategic Organization*, 1(2), 241-251.
- 3) Levitt and March (1988), Organizational learning, *Annual Review of Sociology*, 14, 319-40.

Session 3: September 9, 2016

Topic: Organizational Context for Strategic Design: External (Five Forces and Industry) and Internal Analysis

- 1) **HBSP Coursepack: Casadesus-Masanell, Core Curriculum: Strategy: Introduction to Strategy
- 2) **HBSP Coursepack: SWOT Analysis I: Looking Outside for Threats and Opportunities
- 3) **HBSP Coursepack: SWOT Analysis II: Looking Inside for Strengths and Weaknesses
- 4) SWOT/TOWS framework (see Reader)

Session 4: September 16, 2016

Topic: Where all Firms are Above Average (from special edition of *Advances in Strategic Management*)

- 1) Barney (2000), Firm resources and sustained competitive advantage, *Advances in Strategic Management*, 17, 203-227.
- 2) Stinchcombe (2000), Social structure and organizations, *Advances in Strategic Management*, 17, 229-259.
- 3) Barney (2000), Context is crucial: commonalities, differences, and subtle differences, *Advances in Strategic Management*, 17, 261-269.
- 4) Stinchcombe (2000), On equilibrium, organizational form, and competitive strategy, *Advances in Strategic Management*, 17, 271-284.

Session 5: September 23, 2016: Essay 1 DUE

Topic: Competitive Advantage through business level strategy, differentiation, and difference

- 1) *bcourse: Hill & Jones (2017), ch. 5 or an equivalent.
- 2) **HBSP: IESE Business School: Value creation and capture
- 3) Porter (1996), What is strategy? *Harvard Business Review*, 61-78.

Session 6: September 30, 2016

Topic: An alternative to Porter's Perspective

- 1) March (1991), Exploration and exploitation in organizational learning, *Organization Science*, 2, 71-87.
- 2) Miles, Snow, Meyer, & Coleman, Organizational strategy, structure, and process, *Academy of Management Review*, 3(3), 546-562.
- 3) Burton, Obel, and Hakonsson, Ch. 2: Assessing the Strategy, pp. 31-46. (an interpretation and application of Miles and Snow).
- 4) Brief Midterm Review

Session 7: October 7, 2016: MIDTERM QUIZ (20 minutes)

Topic: A Closer Examination of Ambidexterity

- 1) Lavie, Stettner, and Tushman (2010), Exploration and Exploitation within and across Organizations, *Academy of Management Annals*, 4(1), 109-155.
- 2) O'Reilly and Tushman (2013), Organizational Ambidexterity, Past, Present, and Future, *Academy of Management Perspectives*, 27(4), 324-328.

Session 8: October 14, 2016

Topic: Competitive Advantage: Difference vs. Similarity

- 1) Carroll (1993). A sociological view of why firms differ, *Strategic Management Journal*, 14, 237-49.
- 2) Deephouse (1999), To be different, or the same? It's a question (and theory) of strategic balance, *Strategic Management Journal*, 20 (2), 147-166.
- 3) DiMaggio & Powell (1983), The iron cage revisited: institutional isomorphism and collective rationality in organizational fields, *American Sociological Review*, 48(2), 147-160.

Session 9: October 21, 2016: Essay 2 DUE

Topic: Organizational Structure and Strategy

- 1) Daft (2010), excerpt on organizational structural designs (ch. 3), from *Organization Theory and Design* (10th ed.), South-Western Cengage Learning, pp. 104-115
- 2) O'Reilly & Tushman (2004), The ambidextrous organization, *Harvard Business Review*, 74-81.
- 3) Structure exercise (time permitting)

Session 10: October 28, 2016

Topic: Implementing Strategy through Corporate Culture

- 1) Sorensen, 2002, The strength of corporate culture and the reliability of firm performance, *Administrative Science Quarterly*: 47, 70-91.
- 3) Barney, 1986, Organizational culture: can it be a source of sustained competitive advantage? *Academy of Management Review*, 11 (3), 656-65.
- 4) Chatman and Cha (2003), Leading by leveraging culture, *California Management Review*, 45, 20-34.

Session 11: November 4, 2016

Topic: A Different Perspective: Blue Ocean Strategy

- 1) Kim & Mauborgne (2004), Blue ocean strategy, Harvard Business Review, 2-10.
- 2) Kim & Mauborgne (2005), Blue ocean strategy: From theory to practice, California Management Review, 47(3), 105-121.
- 3) Kim and Mauborgne (2009), How strategy shapes structure, Harvard Business Review, 2-10.
- 4) Burke, Stel, and Thurik, Blue ocean vs. five forces, Harvard Business Review, May 2010, 1, 73-80.
- 5) Blue Ocean Strategy exercise (time permitting)

NOVEMBER 11, 2015 NO CLASS (Veterans Day Holiday)******

Session 12: November 18, 2016: Essay 3 DUE

Topic: Current Perspective: Status and Organizational Strategy

- 1) Podolny (1993), A status based model of market competition, American Journal of Sociology, 98, 829-872.[Read pp. 829-841, up to “Matthew effect”; the rest is recommended].
- 2) Sauder, Lynn and Podolny (2012), Status: insights from organizational sociology, Annual Review of Sociology, 38, 267-283.
- 3) Phillips and Zuckerman (2001), Middle status conformity: theoretical restatement and empirical demonstration in two markets, American Journal of Sociology, 107, 379-429.

November 26, 2016NO CLASS***HAPPY THANKSGIVING!!!******

Session 13: December 2, 2016

Topic: Current Perspective: Reputation and Strategy

- 1) Washington, M., & Zajac, E.J. 2005. Status evolution and competition: Theory and evidence, Academy of Management Journal, 48: 281-296.
- 2) Fombrun & Van Riel, The reputation landscape, Corporate Reputation Review, 1(1), pp. 5-13.
- 2) Fombrun & Shanley (1996), What’s in a name? Reputation building and corporate strategy, Academy of Management Journal, 33(2), 233-258.
- 3) Deephouse, D., & Carter, S. 2005. An examination of differences between organizational legitimacy and organizational reputation. Journal of Management Studies, 42(2): 329-360.
- 4) Wrap up of course

December 9, 2016NO CLASS: Reading/Review/Recitation Week******

December 13: FINAL EXAM DUE (Tentative Date)

Final Exam is a take-home exam that will be due on Tuesday, December 13, 2016 by 4 PM. The exam will be posted to bcourse.

*bcourse

**HBSP ‘coursepack’ should be purchased from HBSP.

