

RESEARCH THEORIES IN MANAGEMENT SCIENCE I (SPECIFIC TRACK)

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OBJECTIVES

Organization design is first and foremost a practical challenge. At the same time, it is also one of the most research topics in the academic research on organizations, and there are many theories that address the general topic of organization design. Organization design is further *foundational* in the sense that all organizational strategies, operations, and activities occur within the designs and the structures of the organization: "getting the design right" is essential to all organizations, large or small, profit or non-profit, manufacturing or service. The purpose of this seminar is to examine the topic of organization design from both the practical and the academic perspectives.

CONTENT

We start the course with four face-to-face class meetings. Each of the four meetings consists of two sessions, making the face-to-face part of the course a total of eight sessions.

The face-to-face meetings will be managed as a hybrid: Some students will be present in the classroom, but there may be others connecting via Zoom.

The remaining seven sessions are on-line forums.

In the face-to-face meetings, we first develop an understanding of the key concepts and seminal theories and perspectives on organization design. We then proceed by looking at empirical research -- both qualitative and quantitative -- on the topic. The focus in the class meetings is discussion and debate on assigned pre-readings. Both academic and more practitioner-oriented readings are assigned, but because this is a doctoral seminar, the focus is obviously on the academic literature, "the body of knowledge" on organization design.

LEARNING OBJECTIVES

After taking this seminar, students are

- (1) able to understand how the practical challenge of organization design is examined both theoretically and empirically in academic research;
- (2) familiar with the key concepts and theories of organization design; and
- (3) prepared to examine their own research ideas empirically

PROGRAM

SESSIONS 1 - 2

The Practice and the Science of Organization Design

The popular press is flooded with concepts such as the matrix organization, lateral processes, flexible hierarchies, et cetera. But how is the topic approached in organization-scientific research? What are the intellectual and paradigmatic bases for such research? In the first meeting, we lay the foundation to the seminar by addressing these fundamental questions.

In preparation, read first the article that lays out the practitioner perspective:

[1] Goold, M., & Campbell, A. 2002. "Do you have a well-designed organization?" Harvard Business Review, vol. 80, no. 2, 117-124.

Then read this more theoretically and scientifically oriented article on firm boundaries:

[2] Santos F. M. and K. M. Eisenhardt, 2005. "Organizational boundaries and theories of organization". Organization Science, vol. 16, no. 5, 491-508.

How are these articles similar to (or different from) your understanding of and experiences with organization design? Which approach to organizational boundaries (the second article) best resonates with your own thinking and experiences? How do you see the link between theory and practice -- incompatible or complementary? How can the two articles help you further develop your own research ideas?

R.A.: Do you have a well-designed organization? (HBR R0203K)

R.A.: Organizational boundaries and theories of organization

SESSIONS 3 - 4

Choosing the Paradigm

Every attempt to understand the (overwhelming) complexity of organizations requires the choice of a perspective -- a paradigm. This choice is a crucial step in a doctoral dissertation as well. Conventionally, rational theories with focus on organizational efficiency have been most visible in research on organization design, and are typically adopted both in popular parlance and in consulting rhetoric as well. More recently, other views -- such as power, politics, and identity -- have gained influence. The goal of this meeting is to develop an appreciation of three alternative perspectives to organization design: (1) rational, (2) political, and (3) psychological. In preparation, read the following (to be handed out by professor):

[3] March, J. G. 1994. *A Primer on Decision Making: How Decisions Happen*. New York: Free Press. Chapters 1, 4, and 5.

These are long chapters and the idea is not to go through everything. Instead, try to create a list of the defining characteristics of each of the three approaches. Ask yourself questions such as (1) When did I last make a rational decision and how do I know?, (2) How why do coalitions within organizations form?, and (3) What implications do cognitive and informational limitations have for organization design? You could also think of which of the nine tests (reading [1]) and approaches to organizational boundaries (reading [2]) would provide a good fit with the three approaches discussed by March.

These three perspectives are essential, and we expand on these perspectives in the online sessions.

B.C.: A Primer on Decision Making: How Decisions Happen (chapters 1, 4, 5)

SESSIONS 5 - 6

Ownership and Control: An Organization Design Perspective

One of the key architectural decisions in organizations is the extent to which ownership, control, and risk bearing functions are separated from one another. In this session, we look at this fundamental question in light of some of the classic work on agency theory. We also look at the implications for board structure in particular.

[4] Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law and Economics*, vol. 26, 301-325.

[5] Williamson, O. E. (2008). Corporate boards of directors: In principle and in practice. *Journal of Law, Economics, & Organization*, vol. 24, 247-272.

In reading the (very dense) Fama & Jensen article, focus on trying to understand the very broad variety of organizational forms and the logic of their governance. You might also find the discussion on the differences between the Roman Catholic church and its Protestant and Jewish counterparts interesting (p. 320). With regard to Williamson's (equally dense) article, think of the governance implications of the list of 10 things that board members do and don't do (p. 252). Which ones do you agree with?

R.A.: Separation of ownership and control

R.A.: Corporate boards of directors: In principle and in practice

SESSIONS 7 - 8

Where is the "Frontier of Organization Design Research"?

Scholars have studied organization designs for almost 60 years. The purpose of this session is to look at the development of various research programs along the way, and to identify where the frontier of organization research is today.

In preparation, read the following article that delineates the chronology of research on organization design:

[6] Van de Ven, A. H., Ganco, M., & Hinings, C. R. 2013. "Returning to the frontier of contingency theory of organizational and institutional designs". *Academy of Management Annals*, vol. 7, no. 1, 393-440.

In particular, try to develop an understanding of "the five C's" -- *contingency, configuration, complementarity, complexity, and creativity*. Which "C" resonates best with your own research ideas and managerial experiences?

R.A.: Returning to the frontier of contingency theory of organizational and institutional designs

SESSION 9

The Rationality of Organizations: Organizational Control

Reading:

[7] Ouchi, W. G. 1979. "A conceptual framework for the design of organizational control mechanisms". *Management Science*, vol. 25, no. 9, 833-848.

R.A.: A conceptual framework for the design of organizational control mechanisms

SESSION 10

The Politics of Organization: Who are the Key Stakeholders?

Readings:

[8] Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B., & de Colle, S. (2010). *Stakeholder Theory: The State of the Art*. Cambridge: Cambridge University Press. Chapter 9.

B.C.: Stakeholder Theory: The State of the Art

SESSION 11

The Psychology of Organizations: Organizational Change

Reading:

[9] Corley, K. G., & Gioia, D. A. 2004. "Identity ambiguity and change in the wake of a corporate spin-off". *Administrative Science Quarterly*, vol. 49, 173-208.

R.A.: Identity ambiguity and change in the wake of a corporate spin-off

SESSION 12

Combining the Perspectives for a Holistic Understanding: The Cuban Missile Crisis

Reading:

[10] Allison, G. T. 1969. "Conceptual models and the Cuban missile crisis". *American Political Science Review*, vol. 63, no. 3, 689-718.

R.A.: Conceptual models and the Cuban missile crisis

SESSION 13

Organizing for Innovation I: The Ambidextrous Organization

Readings:

[11] O'Reilly, C. A., & Tushman, M. 2013. "Organizational ambidexterity: Past, present, and future". *Academy of Management Perspectives*, vol. 27, no. 4., 324-338.

R.A.: Organizational Ambidexterity: Past, present and future

SESSION 14

Organizing for Innovation II: Meeting the Challenge of Uncertainty

Readings:

[12] Siggelkow, N., & Rivkin, J. W. 2005. "Speed and search: Designing organizations for turbulence and complexity". *Organization Science*, vol. 16, no. 2, 101-122.

R.A.: Speed and search: Designing organizations for turbulence and complexity

SESSION 15

Summary

Summary session, no readings assigned.

EVALUATION CRITERIA

Criteria	Percentage	Comments
Class Participation	70 %	Participation in the in-class and online forum discussions
Final Exam	30 %	The final exam taken at the ends of the seminar