

## Seminars 2006-2007

Spring Quarter, 2007

June 4th

Marita Fagerling, School of Business, Economics & Law, Göteborg University. **Organizational Change in the Making – A Study of a New Attempt at Renewing Health Care in a Hospital in Sweden** Gitte Jakobsen Petersen, Copenhagen Business School. **Narrative Identity and Change: An Investigation of Leaders' Problem Stories and Preferred Stories** ABSTRACTS **Organizational Change in the Making – A Study of a New Attempt at Renewing Health Care in a Hospital in Sweden** This is a narrative of how a change program is made sense of by the top three levels of management in a hospital in western Sweden. Karl Weick's ESR-model (Enactment, Selection, Retention) is used as an organizing device when describing a road to renewal. The story shows how the actors fill a 'content-free' program with meaning and create useful vocabularies as creative responses to a change program. **Narrative Identity and Change: An Investigation of Leaders' Problem Stories and Preferred Stories** This study explores how the narratives individuals construct about themselves foster their identities as leaders. The paper builds on the notion that identity can be perceived as a narrative, i.e., that we constantly construct stories about who we are, and that these stories both construct and constitute our sense of identity (Bruner, 2002). The theoretical interest is to investigate the narrative identity construction processes at a micro level of analysis based on concepts and theory from narrative therapy. The aim of the paper is to investigate how people make sense of their identities in the stories they construct, and how, in retrospect, leaders construct their identity in problem stories and preferred stories in interviews.

May 21st

Dr. Julia Brandl, Department of Management, Vienna University of Economics and Business Administration. **The Social Construction of Entrepreneurship**(with Bernadette Bullinger, University of Mannheim) ABSTRACT Entrepreneurship has become an important issue in contemporary management practice and research. While there is much debate about conditions for and benefits from entrepreneurial behavior, the very existence of entrepreneurship as social phenomenon has been addressed very little so far. In this paper we conceptualize the ideal of interest-driven and innovation-seeking individuals as a taken-for-granted institution in modern Western societies. We analyze how this institution is associated with other ideals of modernity such as individualism, progress and economic wealth,

elaborate typical attributes of entrepreneurial actors as they are presented in academic talk, and analyze how entrepreneurship is manifested in social order. We also address in which ways subjects engage with entrepreneurship. Our social constructivist analysis of entrepreneurship contributes to resolving the paradox of embedded agency in new institutional theory and calls for the need to investigating the societal conditions for the rise of entrepreneurship. Keywords: entrepreneurship, modern actorhood, social constructionist perspective

May 14th

Riitta Katila, Assistant Professor, Management Science & Engineering, Stanford. **Swimming with sharks: Technology ventures and corporate relationships** (joint work with Jeff Rosenberger and Kathy Eisenhardt) ABSTRACT This paper examines when inter-organizational relationships between technology ventures and established corporations emerge. In particular, we focus on the tension between the cooperative and competitive forces in these relationships, and explore this tension from the new firm perspective in a study of corporate investment relationships in 5 technology-based industries over a 25-year period. We have several findings. First, new firms enter these relationships when they need out-sized financial and manufacturing resources, but not marketing ones. Second, new firms have a distinct approach to competition that differs from that of established firms. New firms enter these relationships when they can defend against strategic misalignment through overlooked mechanisms (i.e., trade secrets and timing). Surprisingly, prominent mechanisms (i.e., patents) are not germane. Third, a dyadic perspective is crucial to understand why some cooperative and some competitive factors are more important than others. We show that corporate investment relationships are inherently integrative negotiations - i.e., the convergent preferences of the two firms are synergistic and reinforcing. Overall, our primary contribution is a more complete view of inter-organizational relationships that recognizes the simultaneity of cooperation and competition and their dyadic and negotiated characters. We conclude by noting the significance of the perspective of low-power firms like ventures to generate theoretical insight.

May 7th

Robin Gustafsson, Department of Industrial Engineering and Management, Helsinki University of Technology. **The Role of Institutional Entrepreneurs and Policy Intervention for Enabling Paradigmatic Change** ABSTRACT We applied the grounded theory method to explore the emergence, activities, and outcomes of institutional entrepreneurs in the context of national technology programs implemented in Finland. We define institutional entrepreneurship as independent, individual- or team-level

activities that result in non-trivial, trajectory-altering change in institutional structures of technology fields. We find institutional entrepreneurs to possess a strong vision of the innovation system's future, use a broad number of different means to legitimize their vision of the new system state, operate outside formal hierarchies, and build and leverage social capital to effect a re-alignment within the institutional setting. This way, institutional entrepreneurs address and correct social cognitive failures in innovation systems.

April 30th

Jannis Kallinikos, Professor of Information and Organization Studies, London School of Economics. **Information as Habitat: Thoughts on Agency, Resources and Organization** ABSTRACT The involvement of information in social and economic life is steadily expanding and deepening. A variety of computer-based systems and applications combine with a growing ecology of devices and a diversity of operations to capture and disseminate information across technological circuits that become increasingly interoperable. Digital media take over all other forms of capturing and representing reality (analogue information) thus contributing to the granularity of information and the recycling and recombining of data items across sources and institutional boundaries. A key manifestation of these developments is the deepening involvement of the internet in social life and organizations. The pervasiveness of information suggests that it does not make sense (if it ever made) to consider it as just a means for directing organizational conduct and improving organizational performance. Information is better seen as a habitat, a ubiquitous element that is involved in the shaping, reconfiguration and redefinition of organizations. Data editing, ordering and manipulation become, as the case of Google, Yahoo and others show, key economic and organizational activities. In so doing, they establish a new balance between representation and reality, information and material resources and make necessary a variety of new skills and competencies and new modes of exercising these. Furthermore, the pervasiveness of information, its granularity and combinability substantially contribute to unbundling the en bloc character of organizational resources and the operations tied to the transformation of these resources to products and services. Taken together, these developments are establishing a new set of conditions that prompt us to rethink and revise the concepts and categories we have traditionally used to think and analyze organizations.

April 23rd

Dan McFarland, Associate Professor, School of Education, Stanford. **Preliminary Thoughts on "Thin-Slice" Behaviors and Relational Decision-Making** ABSTRACT I will be presenting some preliminary work that seeks to integrate two strands of work on relational

decisions, a core feature of social network dynamics. On the one hand, I want to explore how recent work on thin slice behaviors concerning affect and mutual coordination relate to various kinds of relational decisions. On the other, I want to discern how these social processes interrelate with prior theories of tie formation that are anchored in more cognitive processes, such as homophily, balance, and rational choice. In an effort to empirically ground my understanding, I conducted a large scale study of graduate student speed dating (with audio and multiple survey reports) that enables me to compare and interrelate a variety of processes reflecting these different theories.

#### April 16th

Marine Chitashvili, Professor, Faculty of social and political studies, Tbilisi State University, Center for Social Sciences (Director); Fulbright visiting Scholar, Stanford. **The Challenge of Bologna: The Nuts and Bolts of Higher Education Reform in Georgia** (with Lika Gionti) ABSTRACT The paper describes organizational changes in higher educational institutions in Georgia -- one of the newly independent states of the former Soviet Union -- over the last 25 years. Since 2005 Georgia has been a participant in the European "Bologna process" of higher educational reform and standardization. With new laws regulating higher education, Georgian higher education is going through major organizational changes -- trying to implement managerialist models, sharply differentiating academic and administrative responsibilities, and attempting to implement regulations and templates for administration that are isomorphic with European and American models. It is assumed that the new managerial models will help to build a modern educational system with academic institutions that are accountable, transparent, and high in quality. The paper describes some of the processes and consequences of the reforms, and considers research methods to assess the impact of the managerialist reforms on the quality and efficiency of higher education in Georgia.

#### April 8th

Morten Balle Hansen, Associate Professor, Political Science and Public Management, University of Southern Denmark and visiting scholar, Scancor **The Diffusion of New Public Management Practices: Managers in the Process of Innovation** (with James Svara) ABSTRACT In the past twenty years, a wide array of administrative innovations has been proposed in management reforms for the public sector. Some can be seen as part of the New Public Management or the reinvention model and others seek to improve specific aspects of governmental performance and relationships with citizens. In this article we examine the role of managers, elected officials as well as top bureaucrats, in the full process of innovation. We argue that in order to fully understand and appreciate the importance of managers in innovation, it is important to distinguish between the different stages of the innovation

process. Based on a literature review we elaborate hypotheses concerning the role of managers in the innovation process. We sustain our argument by empirical evidence from the adoption of New Public Management innovations in Danish municipalities using data that permit examining management characteristics and stages of innovation in greater depth than in previous studies. Our findings suggest that managerial factors are much more important for the implementation of new practices, i.e., the extensive utilization of administrative innovations after the adoption, than they are for the decision to adopt or not adopt per se. Thus, according to our findings, empirical studies only measuring the decision to adopt are likely to underestimate the importance of managers in process of innovation. We compare our findings to the impact of managerial factors found in other studies of administrative innovations and suggest implications for future research.

Winter Quarter, 2007

March 5th

Xueguang Zhou, Professor of Sociology and Senior Fellow at the Freeman Spogli Institute for International Studies, Stanford University. **The Institutional Logic of Price Setting in California Premium Wine Market** (with Wei Zhao) ABSTRACT What determines the price of a bottle of wine? Or broadly, what are the mechanisms that govern price setting in the marketplace? Starting from the observation that market transactions result from social processes of intersubjective evaluation, we extend the institutional logic in organizational sociology to shed light on price setting in the marketplace. In the context of the wine market, we argue that the institutional logic renders certain signals of wine quality more credible than others. Specifically, those signals that succeed in making their claims on the basis of nature and reason acquire credibility and effectiveness in price setting. We elaborate and demonstrate these arguments in the analyses of how wine-level signals and winery strategies affect price setting in the California premium wine market.

February 26th

Hayagreeva Rao, Professor, Graduate School of Business, Stanford. **Making Nets Work: The Diffusion of Knowledge Sharing Norms in Public Health Networks** No ABSTRACT

February 6th

Eva Meyersson Milgrom, Stanford Institute for Economic Policy Research, Visiting Associate Professor at Department of Sociology. **Status, Relative**

**Pay and Wage Growth: Evidence from M&A** (with Illoong

Kwon) ABSTRACT We use evidence from workers' voluntary separation choices following M&A activity to establish that those choices depend on changes in workers' relative standing in terms of wage and rank separately from the absolute levels of those variables. Little of this preference is explained by pecuniary theories (in which current rank predicts future income). The "social value," varies qualitatively depending on the nature of the comparison group. When workers' expected relative standing within a group of co-workers in the same occupation increases after M&As, they are less likely to quit. However, when workers' expected relative standing compared to all workers within the same firm increases, they are more likely to quit. Moreover, workers who gain in social value have lower future wage growth, suggesting a market for social status.

January 29th

Simon Rodan, Assistant Professor, College of Business, San Jose State University. **Lying, Cheating and Dissembling: The Half-life of Structural**

**Holes** ABSTRACT Structural holes have been shown to be associated with higher individual managerial performance, faster promotion, and higher salaries. However, their usefulness turns out to be contingent on the length of time a manager remains in a particular job. While beneficial in the first year, the usefulness of structural holes declines over time. Moreover, when the two mechanisms linking structure to performance, innovation and control, are disaggregated, the innovation benefits remain positive over time while the use of holes for their control benefits turn into a liability.

January 22nd

Jason Owen-Smith, Assistant Professor, Sociology & Organizational Studies, University of Michigan. **Structural Components of Institutional Change:**

**Science and Commerce in Academe** ABSTRACT Researchers interested in institutional change have focused relatively more attention on conventions, rules, and assumptions than on the structures that shape opportunity and privilege in fields. I contend that structural components of institutional change are important and under-theorized. Shifts in the stratification orders and networks that shape particular fields are driven by alterations to the mechanisms by which resources accrue to action in recognizable arenas of social and economic life. Changes in a key stratifying mechanism in contemporary academia, competitions for federal research and development grants, help explain the complicated trajectory and consequences of a recent institutional change; the rise of commercial science and engineering in the U.S.

University. Analysis of an 18 year (1981-1998) panel of patenting, publishing, and funding data for the 89 Research One Universities demonstrates that proprietary outcomes of academic science and engineering exert independent effects on grant income soon after a key regulatory change. In later years, patenting continues to influence grant competitions, but those effects are contingent upon levels of academic prestige. The implications of this change for academic science and engineering and for theories of institutional change are discussed.

### January 8th

James Moody, Associate Professor of Sociology, Duke University. **Small World Mechanisms and Dynamic Networks** Prof. Moody described this presentation as an exploration of variability in diffusion over networks when edges are dynamic. He used simulation methods to explore how edge duration and local sequences interact with network structure to propel diffusion across seemingly connected networks.

### Autumn Quarter, 2006

### December 4th

Geoffrey Bowker, Center for Science, Technology and Society, Santa Clara University. **Ecologies of Forgetting and Remembering** Prof. Bowker discussed Chapter 1 and the Conclusion from his recent book *Memory Practices in the Sciences*. The chapters explore the connection between forms of work and forms of knowledge. The first chapter looks at the science of geology in the context of the industrial revolution, arguing that new forms of information organization and work practice at the heart of the industrial revolution were integrally associated with new forms of knowledge. In the Conclusion, he explores connections between science and globalization.

### November 27th

Dick Scott, Professor Emeritus, Sociology, Stanford. **Approaching Adulthood: The Maturing of Institutional Theory** INTRODUCTION It is now nearly thirty years since a brash new theoretical perspective invaded organizational sociology.[i] Neo-institutional arguments were first formulated by John Meyer and colleagues, beginning in the year 1977 (Meyer and Rowan 1977; Meyer et al. 1978, Meyer, Scott, and Deal 1981; Zucker 1977; for a



review emphasizing Meyer's contribution, see Jepperson 2002). The general argument advanced was that formal organizational structure reflected not simply technological imperatives (Lawrence and Lorsch 1967; Thompson 1967/2003) and resource dependencies (Pfeffer 1972; Pfeffer and Salancik 1978) but "institutional" forces, vaguely defined at that time as "rulelike" frameworks, "rational myths" and "knowledge legitimated through the educational systems, by social prestige, by the laws ... and the courts." (Meyer and Rowan 1977:341-43). This early work announced a bold, creative new explanation for formal structure, as well as for the privileged position of organizations as legitimate, dominant actors in modern societies. It set in motion a program of theory construction and research that continues to be vigorous and attractive to a growing number of scholars in a wide variety of intellectual arenas. It is also true, however, that this early work carried with it some unfortunate intellectual baggage that has been difficult to discard. It has taken a good many years to reformulate some of the arguments and revise some of the assumptions embedded in the founding studies. We should never underestimate the power of foundational works in shaping the course of subsequent developments in a social arena! Theories as well as social systems are subject to imprinting and path dependence processes. As many of us celebrate the "cultural turn" that transpired in the social sciences at the end of the 20th century, it is important to recognize and acknowledge the extent to which institutional sociologists came close to making a wrong turn at this critical juncture. In this essay, I review progress in the development of institutional theory relating to organizations viewed, in the terminological of my Stanford colleagues, as a "cumulative research program" (Berger and Zelditch 2002). The discussion is organized so as to identify and highlight a series of corrections or modificationsome of them major shifts, others more minor course corrections in the program. Viewed as a thirty-year work-in-progress, I believe that the overall trajectory has been quite positive.

November 20th

Jerker Denrell, Assistant Professor of Organizational Behavior, Graduate School of Business, Stanford. **A Plea for the Study of Unimportant Phenomena: Selective Sampling of Empirical Settings in Organizational Studies** (with Balazs Kovacs) **ABSTRACT** Organizational research often focuses on practices or populations of organizations that have become socially or economically important. This implies that researchers often study empirical settings that are unrepresentative of the settings that the theory the researchers are testing is supposed to apply to. We illustrate how such a selective sampling of empirical settings can lead to spurious findings by examining two research areas of organizational studies: diffusion research and research on density dependence in organizational entry and exit rates. Diffusion researchers typically study practices that have diffused widely. We show that this implies that they will underestimate the effect of previous adopters on new adoptions. Researchers in organizational ecology often study populations that have become large. We



show that this implies that they will overestimate the effect of density on exit and entry rates. We discuss the implication of such selective sampling of empirical settings for diffusion research and organizational ecology and more generally for the selection of the populations and empirical settings studied in organizational research. Keywords: Legitimacy, Imitation, Diffusion, Contagion, Density Dependence, Organizational Ecology, Selection Bias.

### November 13th

James Tansey, James Martin Institute for Science and Civilization, Said Business School, University of Oxford. **The Social Context of Genetic Biobanks: New Expertise and Native Genes** ABSTRACT Genetic research has advanced to the stage where large databases of genetic material are now collected and analysed. Some are used for criminal investigations, although the most sophisticated databases combine genotypic with phenotypic data to explore the genetic causes of disease. The paper explores two issues. Firstly, it describes the role of ethics professionals in framing a new category of dangers associated with the collection of genetic data. Secondly, it describes an empirical study of Canadian First Nations perceptions of this new technology. The study shows that this, and other technologies are interpreted through the lens of the colonial experience of First Nations.

### November 6th

Lars Bo Jeppesen, Assistant Professor, Department of Industrial Economics and Strategy, Copenhagen Business School. **Broadcast Search in problem solving: attracting solutions from peripheral solvers** (with Karim Lakhani) ABSTRACT We explore a mechanism of problem solving that focuses on broadcasting problems to diverse external solvers, what we call broadcast search. Broadcasting problems is a radical departure from traditional problem solving as it involves problem holders engaging in as little problem-solving as possible - instead they attempt to interest a diverse set of external actors in creating solutions to internal problems. Analysis of 166 previously unsolved science problems, originating from the R & D labs of 26 firms, resulted in a 29.5% resolution rate via this approach. Being a successful solver in broadcast search was correlated with the ability to bridge knowledge fields - i.e. successful solutions were associated with increasing distance between the solvers' field of expertise and the focal field of the problem. The probability of a problem being solved was significantly correlated with the diversity in the scientific interests of the external solvers submitting solutions and their relative degree of specialization. Broadcast search also appears to be an economically efficient problem solving mechanism. It involves low costs for solution seekers relative to the costs of internal R&D. It also involves low cost for the problem solvers. The study contributes to research on innovation and organizations by suggesting that broadcast search complements the existing

portfolio of search strategies available to organizations.

### October 30th

Mike Lounsbury, Associate Professor, Strategic Management and Organization, University of Alberta. (Joint seminar with Work, Technology & Organizations at Stanford) **A Tale of Two Cities: Competing Logics and Practice**

**Variation in the Professionalizing of Mutual Funds** ABSTRACT This paper examines practice diffusion in an environment where competing logics exist, focusing on how organizational and practice variations are institutionally shaped. Empirically, I study how trustee and performance logics in the mutual fund industry that were rooted in different geographic locations (Boston and New York) led to variation in how mutual funds established contracts with independent professional money management firms. This focus on competing logics redirects institutional research away from isomorphism and the segregation of institutional and technical forces, and towards an appreciation of how multiple forms of rationality provide a foundation for ongoing struggle and change in organizational fields. Implications for the dominant two-stage institutional model of diffusion as well as research on institutions, organizations, and professions are discussed.

### October 23rd

Anne-Marie Søderberg, Professor, Department of Intercultural Communication and Management, Copenhagen Business School. **Managing Multiple**

**Identities in a Cross-Border Merger: A case study of the interplay between corporate identity formation and individual manager's multiple identifications.** ABSTRACT

Drawing on a case study of an international merger, this paper aims to offer a more detailed understanding of identity management in complex organizational change processes. It focuses on the interplay between a managerial attempt to identity regulation and corporate branding through a 'One company' discourse, and the same top managers' struggles with a multiplicity of work-related identifications. This identity-work is displayed in narrative interviews where the managers focus more on perceived differences between business areas, nationalities and organizational cultures of the merging companies than on the vision and the 'Nordic ideas' which they, according to the company's corporate statement, are expected to share. The paper also contributes with an empirically grounded understanding of the challenges met when culture and branding initiatives are conceptualized as market campaigns that do not involve the company's employees in dialogue and negotiation and do not commit the top managers as change agents. Keywords: identities, narratives, top managers, international mergers

October 16th

Kathleen Eisenhardt, Professor, Stanford Technology Ventures Program, Management Science and Engineering, Stanford University. **The Formation of Inter-Organizational Relationships: How Entrepreneurs Quickly and Successfully Receive Investments from Venture Capitalists and Corporate Investors** (with Benjamin Hallen) ABSTRACT Although inter-organizational partnerships are important for the success and survival of new organizations, there has been limited research on the strategies that entrepreneurs may use to form such partnerships. Building on fine-grained field data from 9 Internet security ventures receiving equity investments from venture capitalists and corporate investors, we induct a theoretical framework for the quick and successful formation of inter-organizational partnerships. Specifically, we find that successful entrepreneurs: time their pursuit of partnerships around substantial signals of progress (instead of around resource needs), are realistic about the attractiveness of their venture and select potential partners appropriately (instead of automatically pursuing the most well-known investors in the sector), casually date potential partners for several months prior to the anticipated start of the round (instead of approaching them seeking a partnership in the near-term), and take steps to ensure that potential partners believe the opportunity to form a partnership is credibly temporary (instead of passively waiting for potential partners to make a partnership offer). This study contributes to the literature on organizational social capital by offering the insight that though inherited network ties and personal status play an instrumental role in the formation of partnerships, they do so only when complemented with key strategic actions that unlock their value.

October 8th

Diane Bailey, Associate Professor, Management Science and Engineering, Stanford University. **Learning Ecologies: Occupational Models of How Individuals Teach and Learn in Organizations.** (with Steve Barley) ABSTRACT Within the organizational learning literature, individual learning is generally acknowledged as important, yet processes of individual learning remain largely unspecified. In this paper, we employ a perspective rooted in Dewey's pragmatism that transcends these problems and permits detailed investigation of the learning ecology, namely the full physical and social environment as well as the interactions of the actors in it. Analysis of learning events in the learning ecologies of engineers in two occupations (structural engineering and chip design) across six firms revealed two distinct models of teaching and learning. Teaching and learning among structural engineers was well characterized as a master-apprentice system in which seniors taught juniors. Among chip designers, teaching and learning was better described as a "web" of gurus with specialized knowledge who taught each other. Occupational factors such as rate of knowledge change, state mandates

and industry pressure shaped the engineers' teaching and learning behaviors. The findings of this study of learning ecologies make clear that occupations and teachers matter for learning in organizations. At the micro level, these results argue for nuanced conceptualizations of newcomers and old-timers in social theories of learning; at the macro level, they have implications for firms' knowledge acquisition and dissemination. These findings further suggest that research interest in role socialization within a community of practice should not come at the expense of the study of explicit, technical learning at work, nor should an interest in group learning cause us to forget that individuals remain key learners at work.

### October 2nd

Lee Fleming, Associate Professor, Technology and Operations Management Unit, Harvard Business School **Lone Inventors as the source of breakthroughs: myth or reality?** ABSTRACT Why are lone inventors thought to be the sources of technological breakthroughs? The perception – or myth – persists despite a variety of arguments that collaboration increases creativity. I argue and demonstrate that while the average rate and success of creative effort is lower for non-collaborative inventors, the successes are much more variable. If assessments of success depend on the maximum of a distribution and not the rate or mean outcome, then a higher variance distribution could be judged as more creative, a source of breakthroughs, and a plausible basis for the “myth.” The theory and evidence hold within and across inventors. Furthermore, non-collaborative inventors have become more creative, successful, and variable in their success since 1975.

### September 26th

Linus Dahlander, Advanced Institute of Management Research Fellow, Tanaka Business School, Imperial College London. **More Equal than Others? Networks and Hierarchical Status in User Communities.** ABSTRACT User communities typically consist of geographically dispersed individuals with no direct financial compensation, that pool and safe-guard their intellectual achievements. Such communities lack classical management structures, but often develop different means of hierarchical status to cope with problems of governance and coordination. Drawing on social network theory, I develop an argument on how some individuals – through their positions in the social structure in the community – gain hierarchical status. The findings suggest that individuals who are connected to many other individuals in the community, able to integrate across technical boundaries by distributing their activities as well as span structural holes, are more likely to gain hierarchical status. This argument is explored using longitudinal data of a free and open source software community.

